

**AGENDA  
ZONING COMMITTEE  
OF THE SAINT PAUL PLANNING COMMISSION  
Thursday, June 21, 2012 3:30 P.M.  
City Council Chambers, Room #300  
Third Floor City Hall - Saint Paul, Minnesota**

**NOTE:** The order in which the items appear on this agenda is not necessarily the order in which they will be heard at the meeting. The Zoning Committee will determine the order of the agenda at the beginning of its meeting.

**APPROVAL OF JUNE 7, 2012, ZONING COMMITTEE MINUTES**

**SITE PLAN REVIEW** – List of current applications (Tom Beach, 651-266-9086)

**NEW BUSINESS**

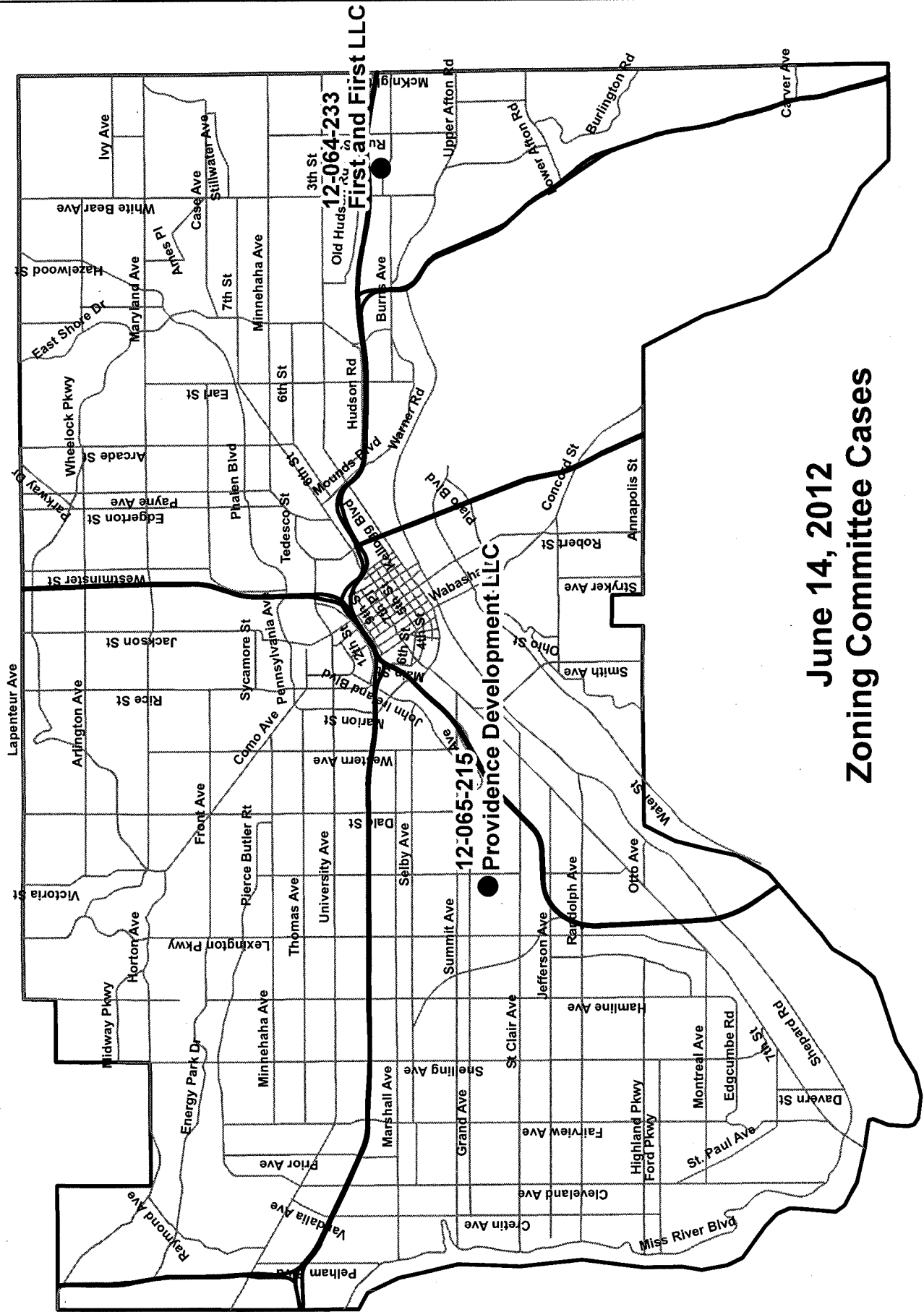
- 1      12-064-233   First and First LLC**  
Modification of condition in previously approved pawn shop permit that the pawn shop not face Suburban Avenue  
1891 Suburban Ave, NW corner at Burns  
B3  
Kate Reilly      651-266-6618
  
- 2      12-065-215   Providence Development LLC**  
Enlargement of the upper two units of a nonconforming 4-plex into unfinished attic space  
890 Goodrich Ave, between Victoria and Milton  
RT1  
Mary Matze      651-266-6689

**ADJOURNMENT**

Information on agenda items being considered by the Zoning Committee can be found online at [www.stpaul.gov/ped](http://www.stpaul.gov/ped), then Planning, then Zoning Committee.

**ZONING COMMITTEE MEMBERS:** Call Patricia James at 266-6639 or Samantha Langer at 266-6550 if you are unable to attend the meeting.

**APPLICANT:** You or your designated representative must attend this meeting to answer any questions that the committee may have.



# June 14, 2012 Zoning Committee Cases

## ZONING COMMITTEE STAFF REPORT

1. **FILE NAME:** First and First LLC **FILE #** 12-064-233
2. **APPLICANT:** First and First LLC **HEARING DATE:** June 21, 2012
3. **TYPE OF APPLICATION:** Modification of Conditional Use Permit
4. **LOCATION:** 1891 Suburban Ave, NW corner at Burns
5. **PIN & LEGAL DESCRIPTION:** 352922330009, Registered Land Survey 276 Subj To Rds;  
Tract C
6. **PLANNING DISTRICT:** 1 **PRESENT ZONING:** B3
7. **ZONING CODE REFERENCE:** § 61.501; § 65.531; §61.502
8. **STAFF REPORT DATE:** June 7, 2012 **BY:** Kate Reilly
9. **DATE RECEIVED:** May 31, 2012 **60-DAY DEADLINE FOR ACTION:** July 30, 2012

- A. **PURPOSE:** Modification of condition in previously approved pawn shop permit (Zoning File #11-103-193) that the pawn shop not face Suburban Avenue
- B. **PARCEL SIZE:** 210,395 sq. ft. (4.83 acres) with 517 feet of frontage on Suburban Avenue
- C. **EXISTING LAND USE:** Auto Showroom/Lot/Service
- D. **SURROUNDING LAND USE:**  
North: Interstate 94 right-of-way  
East: Retail (TN2)  
South: Ramsey County pond and parkland (R2)  
West: Fast food restaurant (B2)
- E. **ZONING CODE CITATION:** §61.501 lists general conditions that must be met by all conditional uses; §65.531 lists the standards and conditions required for a pawn shop.
- F. **HISTORY/DISCUSSION:** This project was initially proposed in 2011 by Red Dog Holdings LLC. That firm applied for and received four conditional use permits (Z.F. # 11-103-193; 11-112-696; 11-112-697; 11-112-698). Red Dog Holdings LLC was not able to complete the project and sold the property to First & First in the fall of 2011.
- G. **DISTRICT COUNCIL RECOMMENDATION:** The District 1 Council submitted a letter stating the concerns of community members about the development.
- H. **FINDINGS:**

1. The applicant, First & First LLC, has purchased the Suburban Chevrolet property on Suburban Avenue and is authorized to operate a pawn shop under an approved conditional use permit (Zoning File # 11-103-193). The pawn shop permit includes a number of conditions for operation, one of which the applicant is now seeking to modify. The modification sought is a modification of condition 3 which states that the pawn shop shall not face Suburban Avenue. The pawn shop and a second hand store are proposed for the existing dealership building which housed a showroom in the southern portion and service bays in the northern portion. The applicant proposes to locate the pawn shop in the showroom portion of the existing building. This location is proposed by the applicant because the size of the former showroom space fits the size of the pawn shop, which condition 7 of the conditional use permit restricts to 8,500 square feet. The applicant has indicated that while windows will be on the Suburban Avenue side of the pawn shop, the entrance will face west toward the parking lot and no signage will be permitted on the south side of the building. All signage will face west. In addition, the windows in the pawn shop space will be replaced with spandrel glass on the lower sections and clear glass above.
2. The staff report for Zoning File # 11-103-193 and the planning commission resolution addressed the conformance of the pawn shop with the conditions required in the B3 zoning district. The requested modification does not alter the findings for the previously approved conditional use permit, save condition c). Section 65.531 defines pawn shop and provides standards and conditions that must be satisfied to permit the use, as follows:

- (a) *The business shall be conducted within a completely enclosed building.* This condition is met. The pawn shop will be located in the existing southeast building. No outside sales are proposed.
  - (b) *The building in which the business is located shall be at least one hundred fifty (150) feet from the closest point of any residentially zoned property.* This condition is met. The southeast building is 150.16 feet from the Ramsey County pond on the south side of Suburban Avenue, which is zoned R2.
  - (c) *No pawn shop shall be located within 1,320 feet of any alternative financial establishment, measured from the nearest building wall of the existing establishment to the nearest building wall of the proposed use, or if there is no building, to the nearest lot line of the proposed use.* This condition can be met. An existing Western Union facility, called the Piggy Bank, at 1994 Suburban Avenue, is 1,053.5 feet from the site. The applicant submitted a request for a modification from this requirement in the previous application for a conditional use permit. At that time a modification of the distance requirement for the proposed pawn shop was required. At this time the new owners of the property, First & First LLC have an option to purchase the Piggy Bank business, which they intend to act upon if the modification of condition 3 is approved by the planning commission. Should First & First LLC purchase the Piggy Bank business, all operations will cease and the business will be closed.
3. §61.501 lists five standards that all conditional uses must satisfy. As stated in Zoning File 11-103-193, these conditions are met.
- I. **STAFF RECOMMENDATION:** Based on the above findings, staff recommends approval of the conditional use permit for a pawn shop subject to the following revised conditions:
- 1. No outdoor sales or outdoor displays of merchandise are approved for retail uses on this site;
  - 2. Customer parking shall be located consistent with Section 63.200, as determined by site plan review;
  - 3. The hours of the pawn shop shall be no greater than 10am through 7pm Monday through Saturday and noon through 6pm on Sunday;
  - 4. Firearms and adult materials shall not be bought, sold or pawned at the pawn shop;
  - 5. The applicant shall participate in and oversee the Come Clean trash removal program for the parcel in its entirety;
  - 6. The pawn shop shall comprise no more than 8,500 square feet within a single building on-site;
  - 7. Signage on-site must not vary from the strict provisions of the zoning code, and should strictly conform to the restrictions outlined in the SunRay-Suburban Avenue Plan. Free-standing signage which includes the name of the pawn shop must also include signage for at least two additional businesses, and the names of each business on such signs must occupy substantially similar square footages, and utilize substantially similar materials and lighting methods. No signage may be placed on the south side of the building facing Suburban Avenue; and
  - 8. The modification of the separation requirement of the pawn shop from the nearby alternative financial institution shall be valid only if the entire site is developed as a multi-use center as proposed in the application and depicted in a site plan approved by the City. Should the site not be developed substantially in conformance with an approved site plan within two years, the modification of the separation requirement shall be void, and the pawn shop shall either locate elsewhere on the site where it conforms to the 1320 ft. separation requirement or, alternately, cease operations on the site. Should the Piggy Bank cease operations as an alternative financial institution, this modification is not necessary.



February 17, 2011

Department of Planning and Economic Development  
Zoning Section  
1400 City Hall Annex  
25 Fourth Street West  
Saint Paul, MN 55102

**Project: Suburban Town Center - 1891 Suburban Avenue**

**Subject: Legal Description – 1891 Suburban Avenue, St. Paul, MN**

That part of Tract "C", Registered Land Survey No 276, Files of Registrar of Titles, County of Ramsey, lying Northerly of the following described line:

Commencing at the Southwest corner of said Tract "C"; thence Northerly along the West line of said Tract "C"; a distance of 40 feet to the point of beginning of the line to be described; thence Easterly along a line 40 feet Northerly of and parallel to the South line of said Tract "C" a distance of 266.2 feet; thence Easterly along a line to a point on the East line of said Tract "C" which point is 163.21 feet North of the Southeast corner of said Tract "C", and there terminating.

Ramsey County, Minnesota  
Torrens Property  
Torrens Certificate No. 544515



May 30, 2012

Dept. of Planning & Economic Development  
Attn: Zoning Section  
1400 City Hall Annex  
25 Fourth Street West  
St. Paul, MN 55102

Project: Suburban Town Center – 1891 Suburban Avenue  
Subject: Request for Modifications to the Conditional Use Permit – Zoning File #11-103-193

The owner of the property respectfully requests modification to a condition of the Conditional Use Permit approved to allow a Pawn Shop to be located in the Suburban Town Center development.

**Background / History:**

Suburban Town Center is a redevelopment of the former Suburban Chrysler Plymouth dealership building and site. The project consists of a remodeling of the existing showroom and service center as well as construction of new retail buildings to create a multi-tenant retail center. The work will also include significant landscape improvements including construction of rain gardens and ponds to enhance the character of the site and reduce the storm water run-off of the area.

The project was proposed by Red Dog Holdings LLC in 2011 in part to provide a location for its Max It Pawn business as one of the tenants. They applied for site plan review and four conditional use permits (for the Pawn Shop, two fast Food Restaurants and an Auto Specialty use). The Pawn Shop and Auto Specialty Use were to be located in the remodeled dealership building, (the Pawn Shop in the middle the Auto Specialty on the east end). Conditional use permits were approved on April 15, 2011, each with a number of conditions. After receiving the conditional use permits, Red Dog Holdings purchased the dealership property. Red Dog Holdings was not able to complete the project and sold the property to First & First in the fall of 2011 with the intent of remaining as a tenant in the remodeled dealership building.

First & First planned to complete the project as proposed and approved per the conditional use permits and conditions. However, several things changed regarding the tenants in the remodeled building. Negotiations failed with Red Dog to locate their Max It Pawn business in the building and Auto Specialty store decided to no longer consider the location. This left the building without any committed tenants. In early 2012, Rixman Companies became interested in the existing building for its Pawn America business as well as a possible location for a new start up business they were developing called Exchange Street, which is a reseller of used high end goods and clothing. Each tenant is a separate business with its own lease. They prepared preliminary floor plans and we developed a new exterior design including new, entry locations to fit the needs of each tenant.

**Request for Modification to the Conditional Use Permit:**

We are requesting a modification to condition 3, (that the Pawn Shop not face Suburban Avenue) due to the challenges of fitting the needs of each tenant into the dealership building. We are proposing to locate the Pawn Shop in the old showroom space on the south end of the building. The entry to the Pawn Shop would face west toward the parking lot at the north end of the space. This location is being proposed because the size of the showroom space fits the size of the Pawn Shop restricted by condition 7 to 8,500 SF.

The Exchange Street space which needs an open, high ceiling space, fits well into the previous service bay spaces on the north end of the building. The space between the two tenants contains a number of bearing walls and a storage mezzanine and would be very difficult to remove to create the same open space available on the north side of the buildings.

The proposed exterior modifications include an entry vestibule addition for each tenant with space for signage above. The windows in the show room (Pawn Shop) space will be replaced with spandrel glass on the lower sections and clear glass above. No signage for the Pawn Shop will be allowed on the south elevation facing Suburban Avenue. The design elements, colors and materials of the remodeled building are selected to blend with those proposed for the new buildings, brick, metal panel and stucco. The following attachments are provided to illustrate the proposed request.

Attachments:

1. Original Site Plan
2. Original Floor Plan
3. Original Elevations
4. Original 3D Drawing
5. Proposed Site Plan
6. Proposed Floor Plan – Pawn America
7. Proposed Floor Plan – Exchange Street
8. Proposed Elevation
9. – 12. 3D Views of Buildings

We appreciate your consideration of our request. If you have any questions, you can reach me at 612.676.2714 or [snelson@dir-inc.com](mailto:snelson@dir-inc.com).

Sincerely,



Scott Nelson  
Principal

To: Zoning Committee of the Planning Commission  
From: District 1 Community Council

Re: File # 12-064233 – Modification of special conditions – 1891 Suburban Ave.

The District 1 Community Council met in 2010 with the previous developer of this site on multiple occasions and held a large community meeting. At our May board meeting this year, we met with the current owner/developer of the lot for another community meeting. We present the following concerns of community members about the development for consideration as the Zoning Committee addresses the request for the modification of conditions.

- 1) The relationship between Pawn America and Exchange Street – Because the two businesses both deal with second-hand goods, and because they are both owned by the same parent corporation, neighbors want to be assured that all pawn operations take place only at Pawn America – that no pawning of goods takes place at Exchange Street. We understand that, should pawning take place at Exchange Street, such activity would represent a violation of the distance requirement between alternative financial institutions and result in the revocation of licenses for both Pawn America and Exchange Street.
- 2) The location of the pawn shop as the first business along Suburban Avenue – Condition 3 states that the pawn shop will not face Suburban Avenue. The developer states that the entrance to the pawn shop will face west rather than the avenue. We believe that the community members expected the pawn shop to be on the interior of the lot.
- 3) Signage – Regardless of which business is in the lot along Suburban Avenue, we request that there be no signage, either window signs, or identification signs, along the avenue. Notices that customers can pawn are effectively identification signs. This request is an addition to Condition 8.
- 4) Windows – Being able to see in and out of a business is an important crime deterrent. Too many of the businesses along Suburban have blank walls to the street, creating a sense that businesses are not a part of the community. We request that the design incorporate real windows, as seems to be implied by the developer's comments in the application.
- 5) Sale of adult materials – Condition 5 states that firearms shall not be bought, sold or pawned at this location. During community meetings, we have secured verbal agreements with the developer and with the pawn shop owners that no adult materials will be bought, sold or pawned at this location. We request that this be incorporated into Condition 5.

The District 1 Community Council is committed to maintaining a good working relationship with the local businesses. We see a healthy business community as a necessary component to a vibrant community. We are anxious to see this long-vacant and previously under-utilized lot built-out into a showcase for businesses and as a center to our larger community.

CITY OF SAINT PAUL, MINNESOTA  
(Conditional Use Permit)

ZONING FILE NO: 11-103-193  
APPLICANT: Red Dog Holdings LLC  
PURPOSE: Conditional Use Permit for a pawn shop with modification of separation requirement between a pawn shop and an alternative financial establishment (1053.5 ft. existing, 1320 ft. required)  
LOCATION: 1891 Suburban Ave  
LEGAL DESCRIPTION: PIN 352922330009, Registered Land Survey 276 Subj To Rds; Tract C  
ZONING COMMITTEE ACTION: Recommended denial  
PLANNING COMMISSION ACTION: Approved with conditions on April 15, 2011

CONDITIONS OF THIS PERMIT: Conditions specified in Sec. 65.531 and the following additional conditions:

1. No outdoor sales or outdoor displays of merchandise are approved for retail uses on this site;
2. Customer parking shall be located consistent with Section 63.200, as determined by site plan review;
3. The pawn shop shall not face Suburban Avenue;
4. The hours of the pawn shop shall be no greater than 10am through 7pm Monday through Saturday and noon through 6pm on Sunday;
5. Firearms shall not be bought, sold or pawned at the pawn shop;
6. The applicant shall participate in and oversee the Come Clean trash removal program for the parcel in its entirety;
7. The pawn shop shall comprise no more than 8,500 square feet within a single building on-site;
8. Signage on-site must not vary from the strict provisions of the zoning code, and should strictly conform to the restrictions outlined in the *SunRay-Suburban Avenue Plan*. Free-standing signage which includes the name of the pawn shop must also include signage for at least two additional businesses, and the names of each business on such signs must occupy substantially similar square footages, and utilize substantially similar materials and lighting methods; and
9. The modification of the separation requirement of the pawn shop from the nearby alternative financial institution shall be valid only if the entire site is developed as a multi-use center as proposed in the application and depicted in a site plan approved by the City. Should the site not be developed substantially in conformance with an approved site plan within two years, the modification of the separation requirement shall be void, and the pawn shop shall either locate elsewhere on the site where it conforms to the 1320 ft. separation requirement or, alternately, cease operations on the site.

APPROVED BY: Jon Commers, Commission Chairperson

I, the undersigned Secretary to the Zoning Committee of the Planning Commission for City of Saint Paul, Minnesota, do hereby certify that I have compared the foregoing copy with the original record in my office; and find the same to be a true and correct copy of said original and of the whole thereof, as based on minutes of the Saint Paul Planning Commission meeting held on April 15, 2011, and on record in the Saint Paul Planning Office, 25 West Fourth Street, Saint Paul, Minnesota.

**This permit will expire two years from the date of approval if the use herein permitted is not established, subject to administrative extension not to exceed one year (§ 61.105). If one of the following occurs, the use herein permitted shall automatically expire: the use is established but subsequently is discontinued for 365 days or is replaced by another use, the lot area is reduced, or as otherwise provided in § 65.505.**

The decision to grant this permit by the Planning Commission is an administrative action subject to appeal to the City Council. Anyone affected by this action may appeal this decision by filing the appropriate application and fee at the Zoning Office, 1400 City Hall Annex, 25 West Fourth Street. **Any such appeal must be filed within 10 calendar days of the date of the Planning Commission's decision.**

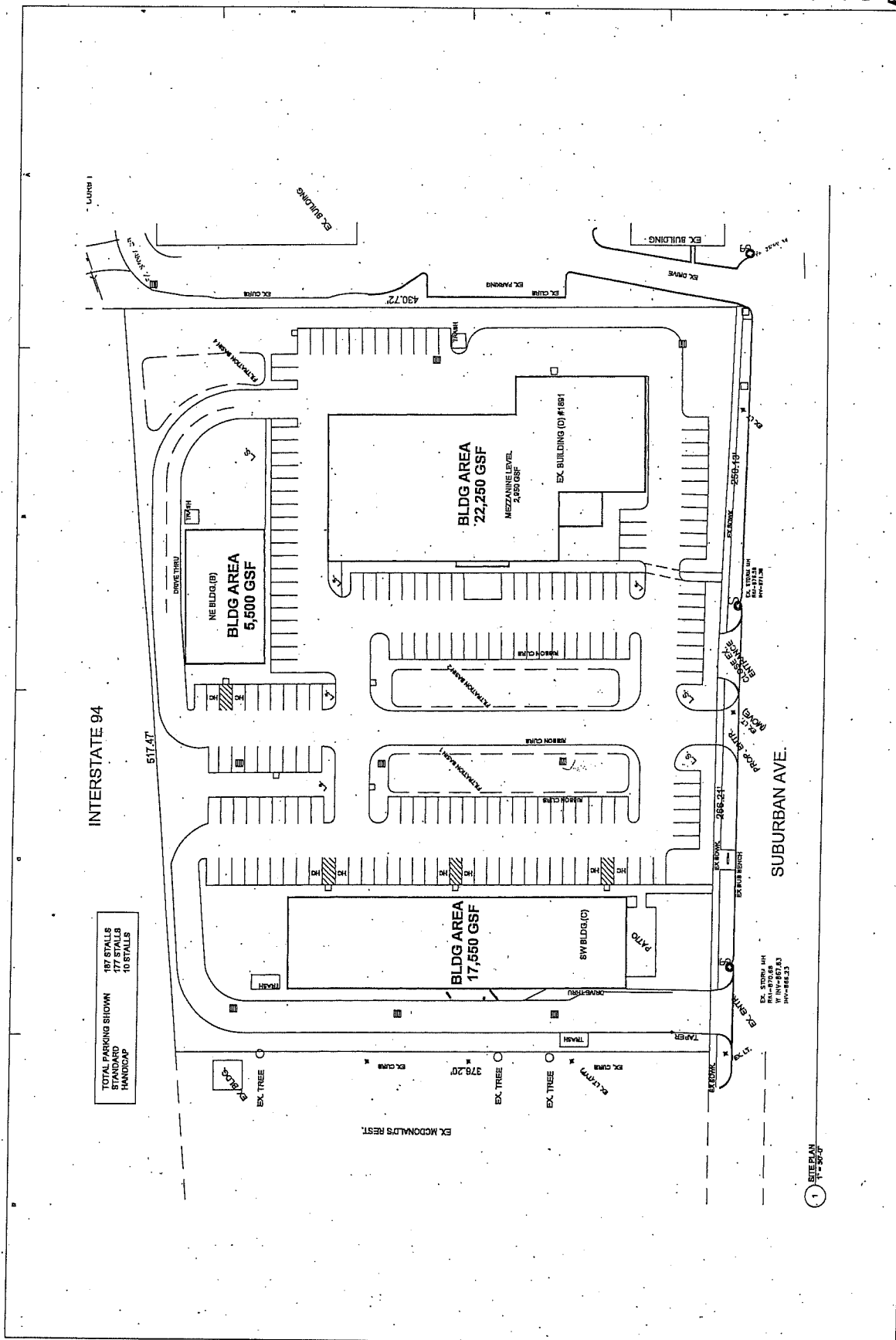
**Violation of the conditions of this permit may result in its revocation.**

Samantha Langer  
Secretary to the Saint Paul  
Zoning Committee

Copies to:  
Applicant

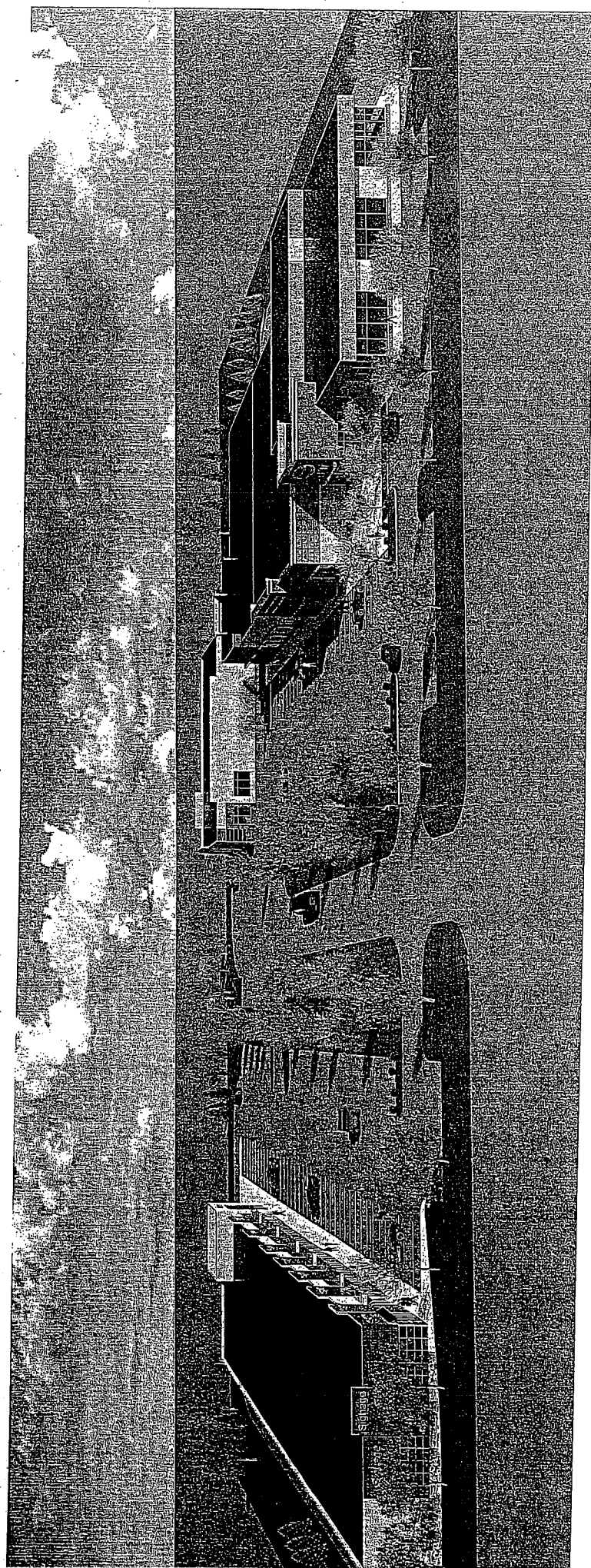
Red Dog Holdings LLC

District Council



TOTAL PARKING SHOWN  
187 STALLS  
STANDARD  
HANDICAP  
10 STALLS

1 SITE PLAN  
10/1/12





Having fully and jointly prepared this plan, the undersigned hereby certify that they are duly qualified to prepare and seal this plan, and that they are duly licensed to practice as architects in the State of Minnesota.

**RJ MARCO  
CONSTRUCTION  
GENERAL CONTRACTOR**

**Exchange  
Street**

Suburban Avenue  
Town Center  
181 Suburban Ave., Ste 300  
St. Paul, MN 55119

**Brad Rikmann  
Exchange Street  
181 River Ridge Circle  
Burnsville, MN 55337**

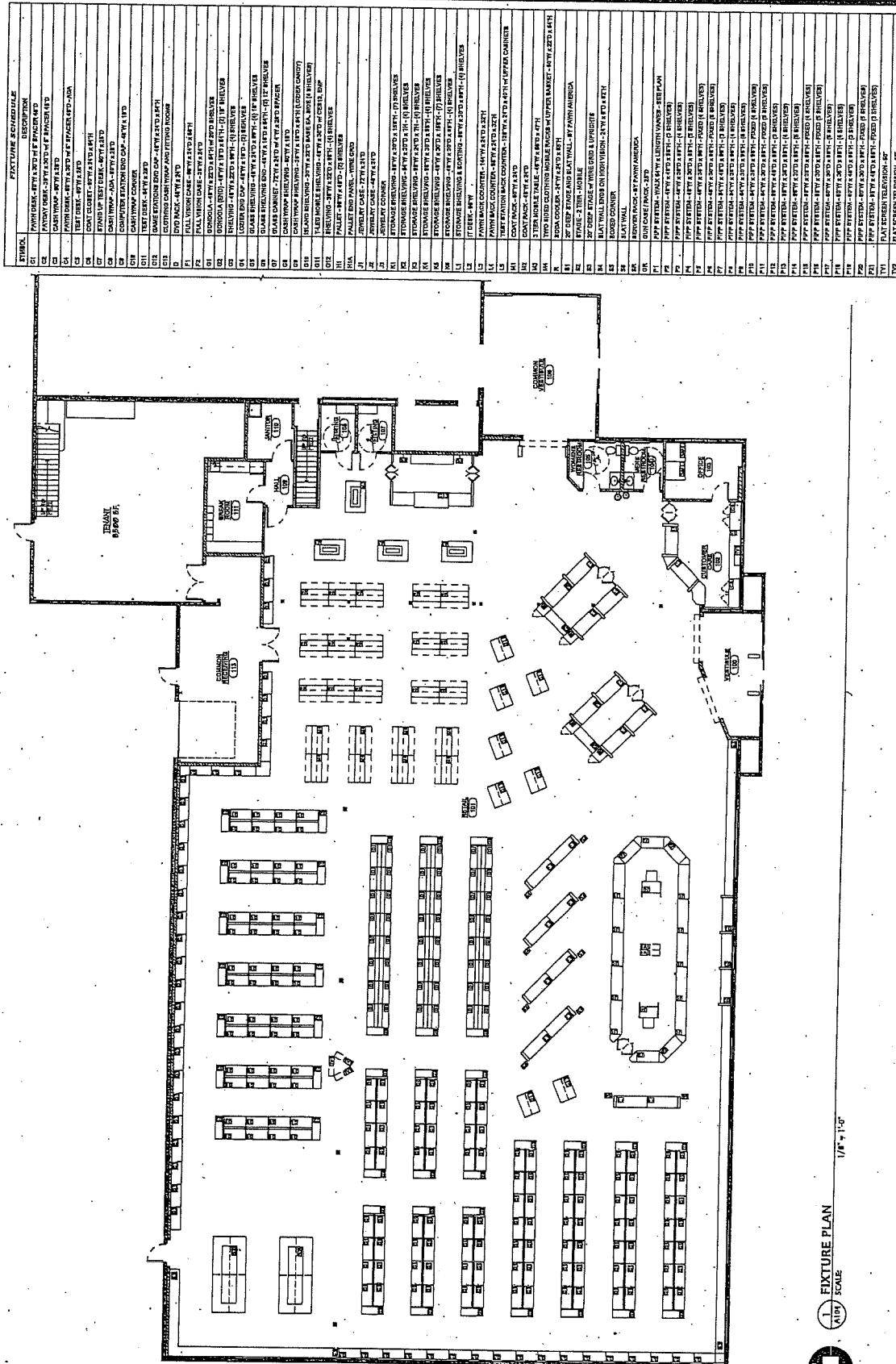
Owner: **Exchange Street**  
Architect: **na i**  
General Contractor: **RJ MARCO CONSTRUCTION**  
Interior Designer: **Brad Rikmann**  
Date: **04/24/2012**

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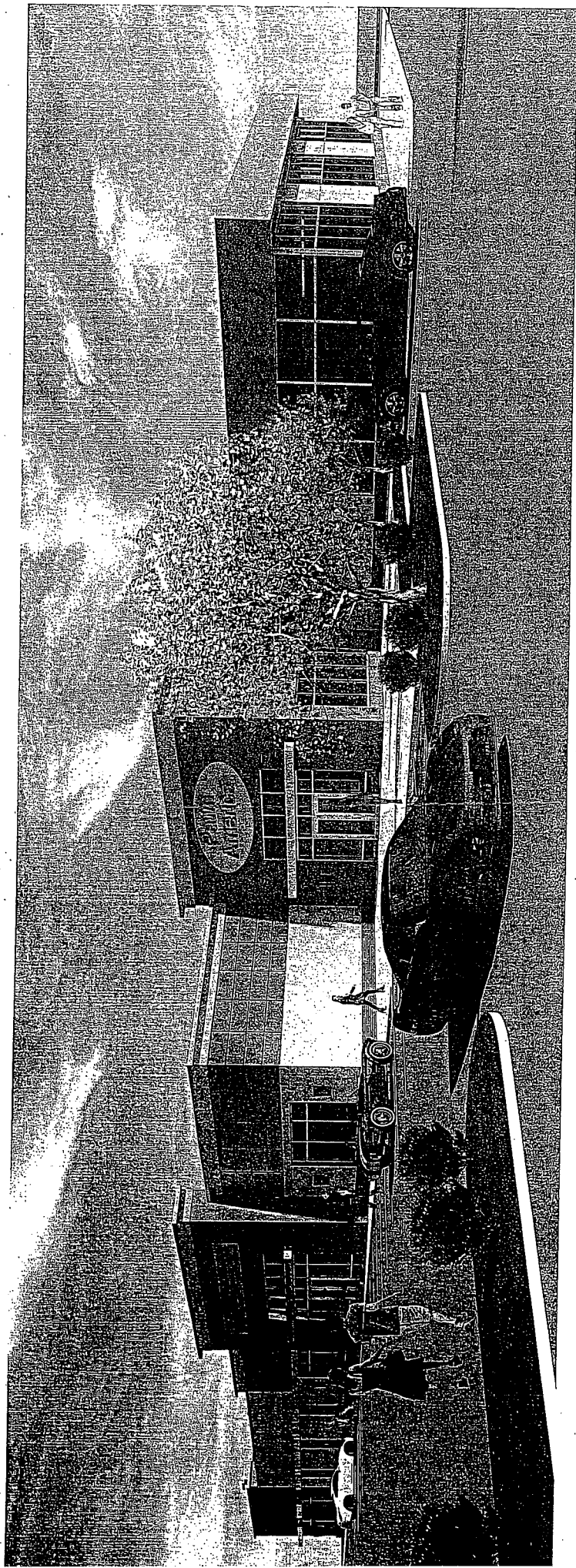
Scale: **1/8" = 1'-0"**  
Date: **04/24/2012**  
Drawn By: **SGB**  
Checked By: **na i**

**FIXTURE  
PLAN**

**A104b**



**FIXTURE PLAN**  
SCALE: **1/8" = 1'-0"**



ASSET OPTION AGREEMENT  
(1994 Suburban Avenue, St. Paul, Minnesota)

THIS ASSET OPTION AGREEMENT ("Agreement") is entered into this 25th day of May, 2012, by and between PAWN AMERICA MINNESOTA, L.L.C., a Minnesota limited liability company ("Pawn America"), and THE PIGGY BANK LLC, a Minnesota Limited Liability Company ("Piggy Bank"), and BETH JOHNSON ("Johnson").

BACKGROUND

- A. Piggy Bank owns various assets which are used to own and operate a check cashing outlet located at 1994 Suburban Avenue, St. Paul, Minnesota (the "Business"), including the "Assets" (as such term is defined in the Asset Purchase Agreement attached hereto as Exhibit A (the "Asset Purchase Agreement")).
- B. Pawn America desires to acquire an option to purchase the Assets from Piggy Bank, and Piggy Bank is willing to grant such an option on the terms and conditions set forth herein.
- C. The parties now desire to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Grant of Option. Piggy Bank hereby grants to Pawn America an exclusive option to purchase the Assets (the "Option") commencing on the date of this Agreement and ending on May 25, 2014, unless terminated earlier in accordance with this Agreement (the "Option Period"). During the Option Period, Pawn America shall have the right to commence its due diligence review of the Assets. Piggy Bank shall provide representatives of Pawn America with reasonable access to the Assets and all other relevant matters and information that Pawn America may reasonably request. The decision whether or not to exercise the Option shall be in Pawn America's sole discretion.

2. Terms of Purchase. Within three (3) business days of executing this Agreement, Pawn America shall pay to Piggy Bank an option fee in the amount of Twenty Thousand Dollars (\$20,000.00) (the "Purchase Option Fee") and Pawn America shall pay to Piggy Bank Five Thousand Dollars (\$5,000.00), which represents expenses incurred by Piggy Bank in the negotiation and drafting of this Agreement. In the event that Pawn America exercises the Option, the Purchase Option Fee shall be applied to the "Purchase Price" (as defined in the Asset Purchase Agreement); provided however, if Pawn America either (a) elects not to exercise the Option, or (b) elects not to close on the Asset Purchase Agreement for any reason other than a material default by Piggy Bank, the Purchase Option Fee shall be non-refundable to Pawn America and shall be retained by Piggy Bank. The "Purchase Price" (as defined in the Asset Purchase Agreement) for the Assets and the other terms of purchase shall be in accordance with the terms of the Asset Purchase Agreement. Pawn America shall have no right to exercise the Option on terms other than those set forth in the Asset Purchase Agreement, unless both Pawn

America and Piggy Bank consent in writing to an amendment or modification to the terms of the Asset Purchase Agreement.

3. Exercise of Option. To exercise the Option, Pawn America shall give written notice to Piggy Bank at the address set forth below that it elects to exercise the Option (the "Exercise Notice"). The Exercise Notice shall be accompanied by two (2) original drafts of the Asset Purchase Agreement executed by Pawn America. Within five (5) business days of Piggy Bank receiving the Exercise Notice and the executed Asset Purchase Agreement, Piggy Bank shall execute both original copies of the Asset Purchase Agreement and return one original of the Asset Purchase Agreement to Pawn America.

4. Stand-Still. Unless and until this Agreement is terminated, neither Piggy Bank nor any of its subsidiaries, stockholders, agents, officers or representatives shall solicit, encourage or facilitate (including by providing information with respect to the Business or the Assets), any action of any person or entity in connection with an attempt by such person or entity to acquire the Business or the Assets or participate in any discussion or negotiations with any person or entity regarding the sale, lease, assignment or other transfer of the Business or the Assets or enter into any agreement, arrangement or understanding with respect to any of the foregoing.

5. Termination. This Agreement may be terminated and the Option shall terminate as follows:

- (a) at any time by the mutual written consent of both Pawn America and Piggy Bank;
- (b) automatically in the event that Pawn America has not delivered the Exercise Notice to Piggy Bank by May 25, 2014; or
- (c) by Pawn America in the event it determines that proceeding with the transaction contemplated by the Asset Purchase Agreement is not in its best interest.

6. Assignment. Pawn America may assign its rights to acquire the Assets pursuant to this Agreement to any subsidiary or other person or entity affiliated with Pawn America.

7. Expenses. Except as provided in the Asset Purchase Agreement, Pawn America and Piggy Bank shall bear their own respective fees and expenses in connection with this Agreement and the transactions proposed herein, including, without limitation, all accounting, legal and other fees.

8. Operation of Business. For so long as this Agreement remains in effect, Piggy Bank shall operate the Business in the ordinary course of business as Piggy Bank has historically operated. The parties acknowledge that in the ordinary course of business the equipment, inventory, and other assets comprising the Assets as set forth in the Asset Purchase Agreement may increase or decrease after the date of this Agreement which shall not affect the Purchase Price for the Assets.

9. Notices. Any notices, requests, demands, claims, or other communications required or permitted under this Agreement shall be in writing and shall be mailed by registered or certified mail (in each case with return receipt requested), postage prepaid, or delivered by hand or by messenger, addressed to the addresses set forth below or to such other addresses as shall have been furnished in writing to the party initiating the notice or communication. Any notice or other communication so addressed and mailed, postage prepaid, by registered or certified mail (in each case with return receipt requested) shall be deemed to be delivered and given three (3) business days after it was mailed. Any notice personally delivered at the address set forth below to the party to be notified shall be deemed to have been given on the date of delivery. Any notice so addressed and otherwise delivered shall be deemed to be given when actually received by the addressee at the address set forth below:

If to Pawn America: Pawn America Minnesota, L.L.C.  
181 River Ridge Circle South  
Burnsville, MN 55337  
Attn: Brad Rixmann, Chief Manager

With a copy to: Todd M. Phelps, Esq.  
Leonard, Street and Deinard, P.A.  
150 South Fifth Street, Suite 2300  
Minneapolis, MN 55402

If to Piggy Bank: Beth Johnson  
1994 Suburban Ave  
Saint Paul MN 55119

With a copy to: Steve Ledin, Esq.  
Blaney & Ledin, Ltd.  
8971 Highway 5  
Lake Elmo, MN 55042

10. Entire Agreement; Modification; Waiver. This Agreement, along with the agreements referenced herein, constitute the entire agreement between the parties hereto concerning the subject matter hereof and supersede all prior agreements, representations and all understandings of the parties. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all parties hereto.

11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Minnesota without reference to conflicts of law principles.

12. Further Assurances. At any time or from time to time after the date of this Agreement, any of the parties shall, at the request of another party, execute and deliver any further instruments or documents and take all such further action as such party reasonably may request in order to consummate and make effective the transactions contemplated by this Agreement.

13. Severability. If any provision of this Agreement is held by any court of competent jurisdiction to be illegal, void or unenforceable, such provision shall be of no force and effect, but the illegality or unenforceability shall have no effect upon and shall not impair the enforceability of any other provision of this Agreement.

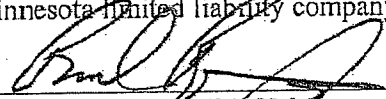
14. Counterparts. This Agreement may be executed in two or more original or facsimile counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[The remainder of this page is intentionally blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date indicated above.

PAWN AMERICA MINNESOTA, L.L.C.,  
a Minnesota limited liability company

By:

  
Brad Rixmann, Chief Manager

THE PIGGY BANK LLC,  
a Minnesota limited liability company

By:

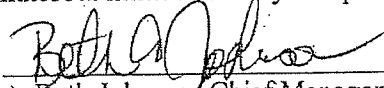
  
Beth Johnson, Chief Manager

EXHIBIT A  
Asset Purchase Agreement



## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of \_\_\_\_\_ by and between PAWN AMERICA MINNESOTA, L.L.C., a Minnesota limited liability company ("Buyer"), and The Piggy Bank LLC, a Minnesota Limited Liability Company ("Seller"), and Beth Johnson ("Johnson").

### BACKGROUND

- A. Seller owns various "Assets" (defined below) that are used to own and operate a check cashing outlet located at 1994 Suburban Avenue, St. Paul, Minnesota (the "Business").
- B. Seller desires to sell the Assets to Buyer, and Buyer desires to acquire the Assets from Seller, upon the terms and subject to the conditions set forth in this Agreement.
- C. Seller and Buyer have entered into that certain Asset Option Agreement dated as of May \_\_\_\_\_, 2012, with respect to the Assets and Buyer has exercised its option under the Asset Option Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### SECTION 1 TRANSFER OF ASSETS

1.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement, on the Closing Date (defined below) Buyer shall buy from Seller, and Seller shall sell, assign, transfer, convey and deliver to Buyer, by instruments satisfactory to Buyer, the Business, and all the assets of the Business (excepting only the assets specifically identified as "Excluded Assets" in Section 1.2 herein) related to or used in the operation of the Business, wherever the same may be located (collectively referred to as the "Assets" and more specifically set forth on Schedule 1.1), including, without limitation, the following:

- (a) Equipment. All equipment, furniture, fixtures, tools and other items of tangible personal property owned by Seller for the benefit of the Business, including without limitation the items set forth on Schedule 1.1 (the "Equipment");
- (b) Inventory. All inventory of Seller relating to the Business, including, without limitation, supplies, merchandise, and other materials specified in Schedule 1.1 ("Inventory");
- (c) Records. All records, books and data in the possession of or used by Seller relating to the Business and Assets, including without limitation, all pawn transaction related tickets, reports, computer diskettes, data, software, blue prints, environmental reports, drawings, surveys, site plans and specifications and all other material pertaining to the Assets and Business ("Records");

(d) Customer Lists. All of the following items used by Seller in the conduct and operation of the Business: (i) customer lists, including names, addresses and telephone numbers, (ii) sales, product and promotional literature or aids, (iii) supplier lists, including names, addresses and the names of their representatives, and (iv) all other records, or copies thereof, relating to Seller and the conduct of the Business;

(e) Accounts Receivable. All of Seller's accounts receivable as of the Closing Date, including without limitation, those receivables specified in Schedule 1.1 ("Accounts Receivable");

(f) Intellectual Property Rights. All United States and foreign patents, patent applications, licenses, trademarks (whether registered or unregistered), service marks, trade names, logos, copyrights and any applications therefor, and any other proprietary rights, including, without limitations, know-how, inventions, discoveries and improvements, processes, methods and formulae, trade secrets, product drawings, specifications, designs and other technical information owned by or licensed to Seller relating to the Business and all of the goodwill associated with the foregoing ("Intellectual Property Rights");

(g) Telephone Numbers. All telephone numbers used in connection with the operation of Seller's Business ("Telephone Numbers").

(h) Contracts. All of Seller's rights and interest under all property leases and other agreements, contracts and commitments, including without limitation, the leases, agreements, contracts and commitments set forth on Schedule 1.1(h) ("Contracts") shall be terminated by Seller on or before the Closing Date and shall not be part of the purchase and sale contemplated by this Agreement;

(i) Licenses and Permits. All of Seller's rights and interest under all licenses, permits and other authorizations used in, required for or intended for the operation of the Business, to the extent the same are transferable ("Licenses").

(j) Miscellaneous. All other tangible or intangible, personal or mixed property, of every kind and description, wherever located, except for Seller's leasehold interest in the Business, which shall be terminated by Seller on or before the Closing Date and shall not be part of the purchase and sale contemplated by this Agreement.

1.2 Excluded Assets. Notwithstanding the foregoing, the Assets shall not include (a) cash on-hand and in bank accounts, (b) Western Union commissions owing to Seller on the Closing Date, (c) Seller's security deposit with Landlord, (d) Seller's check cashing computer program and check cashing database, (e) the personal property set forth on Schedule 1.2 attached hereto, and (f) any repayments or deposits of obligations which Buyer does not assume under Section 3 below (collectively the "Excluded Assets").

1.3 Liabilities Not Assumed. Except for as provided in Section 1.7 hereof, Buyer does not and shall not assume, agree to pay, pay, discharge or have any responsibility for any debts, obligations, duties, responsibilities or liabilities of any nature of Seller, or related to the Assets or the Business regardless of whether any such debt, obligation, duty, responsibility, or liability arises under any contract, lease, agreement, warranty, practice, arrangement, statute, law, ordinance, rule, regulation or otherwise, (collectively, the "Excluded Liabilities"). Seller shall remain liable and responsible for the Excluded Liabilities.

1.4 Instruments of Transfer and Assignment. On the Closing Date, Seller shall deliver or cause to be delivered to Buyer duly executed bills of sale and such other instruments of transfer and assignment as may be necessary to vest in Buyer good and valid title to, and all of Seller's right, title and interest in and to, the Assets, free and clear of all liens, encumbrances, options, pledges, restrictions and claims of any kind, which bills of sale, deeds and other instruments of transfer and assignment shall be in form and substance satisfactory to Buyer and its counsel.

1.5 Consents to Assignments. If the consent of any third party is required in connection with the assignment of an Asset and is not obtained, or if an attempted assignment would be ineffective or would adversely affect Seller's rights thereunder so that Buyer would not in fact receive all such rights, Seller, at Seller's expense, shall cooperate in any arrangement Buyer may reasonably request to provide for Buyer the benefits under such Asset; and any transfer or assignment of any property, property right, contract or agreement which shall require the consent or approval of any other party shall be made subject to such consent or approval being obtained.

1.6 Termination of Business Operations. On the Closing Date, Seller shall convey all of Seller's interest in the Assets and Business to Buyer, and Seller shall cease its business operations.

1.7 Liability for Lease. Seller as Tenant, and Johnson as guarantor, are bound by the terms of that certain Lease Agreement for Scenic Hills Shopping Center (the "Lease"). Notwithstanding anything to the contrary herein, Buyer shall assume any and all obligations, duties, responsibilities and liabilities of Seller and Johnson for Seller's tenancy at Scenic Hills Shopping Center that arise or occur on or after the Closing Date, including any obligations, duties, responsibilities and liabilities under the Lease, and any extension or option to extend under the Lease, whether oral or written (the "Assumed Liabilities"). Buyer shall indemnify, defend and hold Seller and Johnson harmless from and against all actions, suits, proceedings, demands, judgments, damages, costs, liabilities, obligations, losses, expenses, and fees, including court costs and reasonable attorneys' fees arising out of or related to the Assumed Liabilities.

The Assumed Liabilities shall not include any rent, leasehold expenses, CAM, utilities, or other expenses due prior to the Closing Date.

## SECTION 2 PURCHASE PRICE

2.1 Consideration. The aggregate consideration to be paid by Buyer for the Assets is the sum of ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00) (the "Purchase Price").

and shall be payable by Buyer to Seller on the Closing Date, subject to any adjustment under this Agreement. The "Purchase Option Fee" (as defined in the Asset Option Agreement) shall be credit Buyer on the Closing Date.

2.2 Allocation of Purchase Price. The manner in which the Purchase Price shall be allocated among the Assets for state and federal income tax purposes shall be mutually determined by the parties on or prior to the Closing Date. Buyer and Seller agree to use such allocation for state and federal income tax purposes.

### SECTION 3 CLOSING

3.1 Date and Place of Closing; Effective Date. The closing of the transactions contemplated by this Agreement (the "Closing") shall occur within five (5) business days after the date the conditions set forth in Section 6 have been satisfied, at a place and time to be agreed upon by the parties (the "Closing Date").

3.2 Documents at Closing. At the Closing, the respective parties shall deliver the following:

(a) Documents to be Provided by Seller. Seller shall deliver the following documents, duly executed as appropriate, to Buyer:

(1) Bill of Sale. A Bill of Sale conveying the Assets to Buyer free and clear of any and all liabilities, obligations, pledges, liens, encumbrances, and claims (except as otherwise contemplated by this Agreement), in the form attached hereto as Exhibit A.

(2) Bring-Down Certificate. A certificate executed by Seller certifying that the representations and warranties of Seller set forth in this Agreement are true and correct as of the Closing Date, and that Seller has fulfilled, performed, and complied with all of its obligations, covenants, and conditions under this Agreement, in the form attached hereto as Exhibit B.

(3) Lien Releases. With respect to every UCC Financing Statement or other document evidencing a security interest, or other encumbrance in any of the Assets on file with any state or local filing authority naming the Seller as debtor party and/or claiming an interest in any of the Assets, Seller shall obtain a termination statement, satisfaction, or release executed by the secured party named thereon and in form for filing (the "Lien Releases").

(4) Assignment and Assumption Agreement. An Assignment and Assumption Agreement duly executed by Seller assigning to Buyer all of Seller's rights and obligations of the Assets (the "Assignment and Assumption Agreement"), in the form attached hereto as Exhibit C.

(5) Seller's Officer Certificate. An officer's certificate, along with a copy of resolutions by Seller's Board of Directors, authorizing Seller to enter into this

Agreement and to execute any and all documents necessary to conclude the sale, conveyance, transfer and assignment of Seller's rights in and to the Assets, in the form attached hereto as Exhibit D.

(6) Third Party Consents. All third party consents necessary to transfer the Assets free and clear of all liens and encumbrances to Buyer (except as otherwise contemplated by this Agreement).

(7) Licenses. Written evidence that all licenses necessary for Seller's conduct of the Business have either been assigned to Buyer or surrendered to the appropriate licensing authority.

(b) Documents to be Provided by Buyer. Buyer shall deliver the following documents, duly executed as appropriate, to Seller:

(1) Bring-Down Certificate. A certificate executed by Buyer's Chief Manager certifying that the representations and warranties of Buyer set forth in this Agreement are true and correct as of the Closing Date, and that Buyer has fulfilled, performed and complied with all of its obligations, covenants and conditions under this Agreement, in the form attached hereto as Exhibit B.

(2) Assignment and Assumption Agreement. The Assignment and Assumption Agreement shall be duly executed and delivered by Buyer, in the form attached hereto as Exhibit C.

(3) Buyer's Officer Certificate. An Officer's Certificate, along with copies of a resolution by Buyer's Board of Governors, authorizing Buyer to enter into this Agreement and to execute any and all documents necessary to conclude the sale, conveyance, transfer and assignment of the Assets, in the form attached hereto as Exhibit D.

#### SECTION 4 REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer, with the intention that Buyer may rely upon the same, that the statements contained in this Section 4 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date was substituted for the date of this Agreement throughout this Section 4).

4.1 Organization and Status. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota.

4.2 Authority. Seller has all requisite power to execute and deliver this Agreement and to perform the transactions contemplated by this Agreement.

4.3 Validity and Binding Effect. This Agreement is, and the documents and agreements mentioned herein, contemplated hereby or to be delivered pursuant to the terms hereof will be, legal, valid and binding obligations of Seller, enforceable against Seller in

accordance with the terms and conditions of this Agreement, except as such enforceability may be limited by applicable bankruptcy or insolvency laws and general principles of equity.

4.4 Noncontravention. The execution, delivery and performance of this Agreement by Seller does not and will not: (i) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Seller or by which any of Seller's assets are bound or affected, (ii) result in any breach of or constitute a default under any contract or other agreement or note, bond, mortgage, indenture, license, franchise or other instrument or obligation to which Seller is a party or by which any of the Seller's assets are bound or affected, or (iii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, or any person or entity not a party to this Agreement, except for the Lien Releases.

4.5 Title to Assets. Except as otherwise contemplated by this Agreement, Seller has good and marketable title to the Assets and such assets are free and clear of all liens, security interests, encumbrances and restrictions of any kind whatsoever, or will be free and clear of all liens, security interests, encumbrances and restrictions of any kind whatsoever on the Closing Date.

4.6 Condition of Assets. The Assets have been maintained in accordance with normal industry practice, and are in good operating condition and repair (subject to normal wear and tear).

4.7 Reserved.

4.8 Litigation. There is no claim, action, suit, proceeding, arbitration, investigation or hearing or notice of hearing pending or, to the best knowledge of Seller, threatened, relating to or affecting Seller or any of the Assets, or the transactions contemplated by this Agreement.

4.9 Sufficiency of Assets. The Assets to be transferred by Seller to Buyer at the Closing Date will include all assets, properties and rights, including fixed assets, intangible assets, licenses, permits, contracts and rights that relate to, arise from, are used or held by Seller in the operation of the Business as presently operated by Seller, except for the Excluded Assets.

## SECTION 5 REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller with the intention that Seller may rely upon the same, that the statements contained in this Section 5 are correct and complete as of the date of this Agreement and will be correct and complete as of the Closing Date (as though made then and as though the Closing Date was substituted for the date of this Agreement throughout this Section 5).

5.1 Organization and Status. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Minnesota.

5.2 Authority. Buyer has all requisite power to execute and deliver this Agreement and perform the transactions contemplated by this Agreement.

5.3 Validity and Binding Effect. This Agreement is, and the documents and agreements mentioned herein, contemplated hereby or to be delivered pursuant to the terms hereof will be, legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with the terms and conditions of such agreements, except as such enforceability may be limited by applicable bankruptcy or insolvency laws and general principles of equity.

5.4 Noncontravention. The execution, delivery and performance of this Agreement by Buyer does not and will not: (i) conflict with or violate any law, rule, regulation, order, judgment or decree applicable to Buyer or by which Buyer is bound or affected, (ii) result in any breach of or constitute a default under any contract or other agreement or note, bond, mortgage, indenture, lease, license, franchise or other instrument or obligation to which Buyer is a party or by which Buyer is bound or affected, or (iii) require any consent, approval, authorization or permit of, or filing with or notification to, any governmental or regulatory authority, domestic or foreign, or any person or entity not a party to this Agreement.

## SECTION 6 CONDITIONS TO CLOSING

6.1 Conditions to Obligations of Buyer to Close. The obligation of Buyer to consummate the transactions to be performed by it in connection with the Closing shall be subject to the satisfaction, on or prior to the Closing, of all of the following conditions, any of which may be waived by Buyer, in writing at or prior to the Closing.

(a) Representations, Warranties and Covenants. All covenants and agreements of Seller set forth herein required to be performed prior to the Closing shall have been fully performed and the representations and warranties of Seller set forth herein shall be true and correct as of the Closing Date as though those representations and warranties had been made at and as of that time.

(b) Delivery of Documents. Seller shall have delivered to Buyer all of the documents and agreements referenced in this Agreement.

(c) Licenses. Seller shall have delivered to Buyer written evidence that all licenses necessary for Seller's conduct of the Business have either been assigned to Buyer or surrendered to the appropriate licensing authority.

6.2 Conditions to Obligations of Seller to Close. The obligation of Seller to consummate the transactions to be performed by it in connection with the Closing shall be subject to the satisfaction, on or prior to the Closing, of all of the following conditions, any of which may be waived by Seller in writing at or prior to the Closing.

(a) Payment of Purchase Price. Buyer shall have paid the Purchase Price in accordance with this Agreement.

(b) Representations, Warranties and Covenants. All covenants and agreements of Buyer set forth herein required to be performed prior to the Closing shall have been fully performed and the representations and warranties of Buyer set forth herein and in any other documents or agreements executed in connection herewith shall be true and correct as of

the Closing Date as though those representations and warranties had been made at and as of that time.

(c) Delivery of Documents. Buyer shall have delivered to Seller all of the documents and agreements referenced in this Agreement.

## SECTION 7 COVENANTS

7.1 Affirmative Covenants. From the date of this Agreement through the Closing Date, Seller shall:

(a) Operate the Business as it is currently operated and only in the usual and ordinary course, and consistent with that operation Seller shall use all commercially reasonable efforts to preserve intact the goodwill of employees, customers, suppliers and others having business relations with the Business; and

(b) Maintain the Business's assets in customary repair, order and condition, normal wear and tear excepted, and repair or replace, in time intervals which will not interrupt the normal and continued conduct of the Business, any Assets that may be damaged or destroyed.

7.2 Non-Competition. Seller agrees that for a period of two (2) years following the Closing Date in the City of St Paul, Minnesota, neither Seller nor any of its affiliates will:

(a) , operate an alternative financial institution, including without limitation a check cashing outlet or similar business,

(b) Compete directly or indirectly with Buyer,

(c) Solicit or cause to be solicited any customers of the Business, or

(d) Recruit or solicit any employee, other than Johnson, of the Business for employment with the Seller.

Buyer shall be entitled to temporary and injunctive relief and attorney's fees to enforce the provisions of this Section 7.2.

## SECTION 8 TERMINATION

8.1 Termination. The parties may terminate this Agreement and the transactions contemplated herein as follows:

(a) Consent of Buyer and Seller. Buyer and Seller may terminate this Agreement by mutual written consent at any time prior to the Closing.

(b) Buyer's Right to Terminate. Buyer may terminate this Agreement by giving written notice to Seller at any time prior to the Closing if: (1) Seller has breached any



representation, warranty, or covenant contained in this Agreement in any material respect, Buyer has notified Seller of the breach, and the breach has continued without cure for a period of five (5) business days after the notice of breach to Seller, or (2) the Closing shall not have occurred within thirty days after the date of this Agreement, unless the failure results from Buyer itself failing to participate in the closing of the transaction described herein, breaching any representation, warranty, or covenant contained in this Agreement.

(c) Seller's Right to Terminate. Seller may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing if: (1) Buyer has breached any material representation, warranty, or covenant contained in this Agreement in any material respect, Seller has notified Buyer of the breach, and the breach has continued without cure for a period of five (5) business days after the notice of breach to Buyer, or (2) the Closing shall not have occurred within thirty days after the date of this Agreement, unless the failure results primarily from Seller itself breaching any representation, warranty, or covenant contained in this Agreement.

8.2 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1 of this Agreement, all rights and obligations of the parties hereunder shall terminate without any liability of any party to any other party (except for any liability of any party then in breach) and Seller shall be entitled to retain the Purchase Option Fee, subject only to Section 2 of the Asset Option Agreement or unless Seller has breached a material term of this Agreement.

## SECTION 9 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Each of the representations and warranties made by either Buyer or Seller hereunder shall survive after the Closing Date and continue in full force and effect for two (2) years following the Closing Date, after which time the representations and warranties shall have no further force or effect.

## SECTION 10 INDEMNIFICATION

10.1 Indemnification by Seller. Seller shall defend, indemnify and hold harmless Buyer, its officers, directors, shareholders, employees, agents, successors and assigns from and against all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders, decrees, rulings, damages, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, taxes, liens, losses expenses, and fees, including court costs and reasonable attorneys' fees (hereinafter "Adverse Claims") resulting from, arising out of, relating to, in the nature of, or caused by the following:

(a) Representations and Warranties. Any misrepresentation or breach by the Seller of any representation or warranty contained in this Agreement.

(b) Agreements. Any nonperformance, failure to comply or breach by the Seller of any covenant, promise or agreement contained in this Agreement.

(c) Third Party Claims. Any claim by a third party related to the Assets or the Business arising from, or accruing during, the period on or prior to Closing Date.

(d) Liability. Any of the Excluded Liabilities.

10.2 Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless Seller, its officers, directors, shareholders, employees, agents, successors and assigns from and against any Adverse Claims resulting from, arising out of, relating to, in the nature of, or caused by the following:

(a) Representations and Warranties. Any misrepresentation or breach by Buyer of any representation or warranty of Buyer contained in this Agreement.

(b) Agreements. Any nonperformance, failure to comply or breach by Buyer of any covenant, promise or agreement of Buyer contained in this Agreement.

(c) Third Party Claims. Any claim by a third party related to the Assets or the Business, arising from, or accruing during the period after the Closing Date.

(d) Liability. Any of the Assumed Liabilities arising from, or accruing during the period after the Closing Date.

10.3 Matters Involving Third Party Claims - Defense of Claims. If a claim by a third party is made against an indemnified party, and if the indemnified party intends to seek indemnity for such claim under this Section, such indemnified party shall promptly notify the indemnifying party of such claim in writing at the respective address set forth below. The indemnifying party will have ten (10) days after receipt of notice to undertake, conduct and control, through counsel of such party's own choosing (subject to the consent of the indemnified party, such consent not to be unreasonably withheld) and at such party's expense, the settlement or defense of it, and the indemnified party will cooperate with the indemnifying party or parties in connection with such efforts, provided that: (a) the indemnifying party will not by this Agreement permit to exist any lien, encumbrance or other adverse charge upon any asset of any indemnified party, (b) the indemnifying party will permit the indemnified party to participate in such settlement or defense through counsel chosen by the indemnified party, provided that the fees and expenses of such counsel will be borne by the indemnified party, and (c) the indemnifying party will agree promptly to reimburse the indemnified party for the full amount of any loss resulting from such claim and all related expenses incurred by the indemnified party pursuant to this Section. So long as the indemnifying party is reasonably contesting any such claim in good faith, the indemnified party will not pay or settle any such claim. If the indemnifying party does not notify the indemnified party under this Article within the ten (10) day period that such party elects to undertake the defense of such claim, the indemnified party will have the right to contest, satisfy, settle or compromise the claim in the exercise of the indemnified party's exclusive discretion at the expense of the indemnifying party.

## SECTION 11 MISCELLANEOUS



11.5 Counterparts. This Agreement may be executed in counterparts, including facsimile counterparts, each of which when so executed and delivered shall constitute a complete and original instrument, all of which when taken together shall constitute one and the same agreement.

11.6 No Third Party Beneficiaries. This Agreement is not intended, and shall not be construed, to create any rights in any other person or entity other than the parties hereto and their respective successors and assignees and no other person or entity shall have any rights as a third party beneficiary hereunder.

11.7 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the other parties.

11.8 Expenses. The parties shall each pay all of their respective legal, accounting and other expenses incurred in connection with the transactions contemplated by this Agreement.

11.9 Further Assurances. After Closing, each of the parties agree that, at the reasonable request of the other party, it shall take actions and furnish such additional documents and instruments as may be necessary or reasonably desirable to better effectuate the transactions contemplated by this Agreement.

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IN WITNESS WHEREOF, this Asset Purchase Agreement has been duly executed by the parties as of the date first above written.

BUYER:

PAWN AMERICA MINNESOTA, L.L.C., a  
Minnesota limited liability company

By: \_\_\_\_\_  
Brad Rixmann, Chief Manager

SELLER:

The PIGGY BANK LLC, a Minnesota limited  
liability company

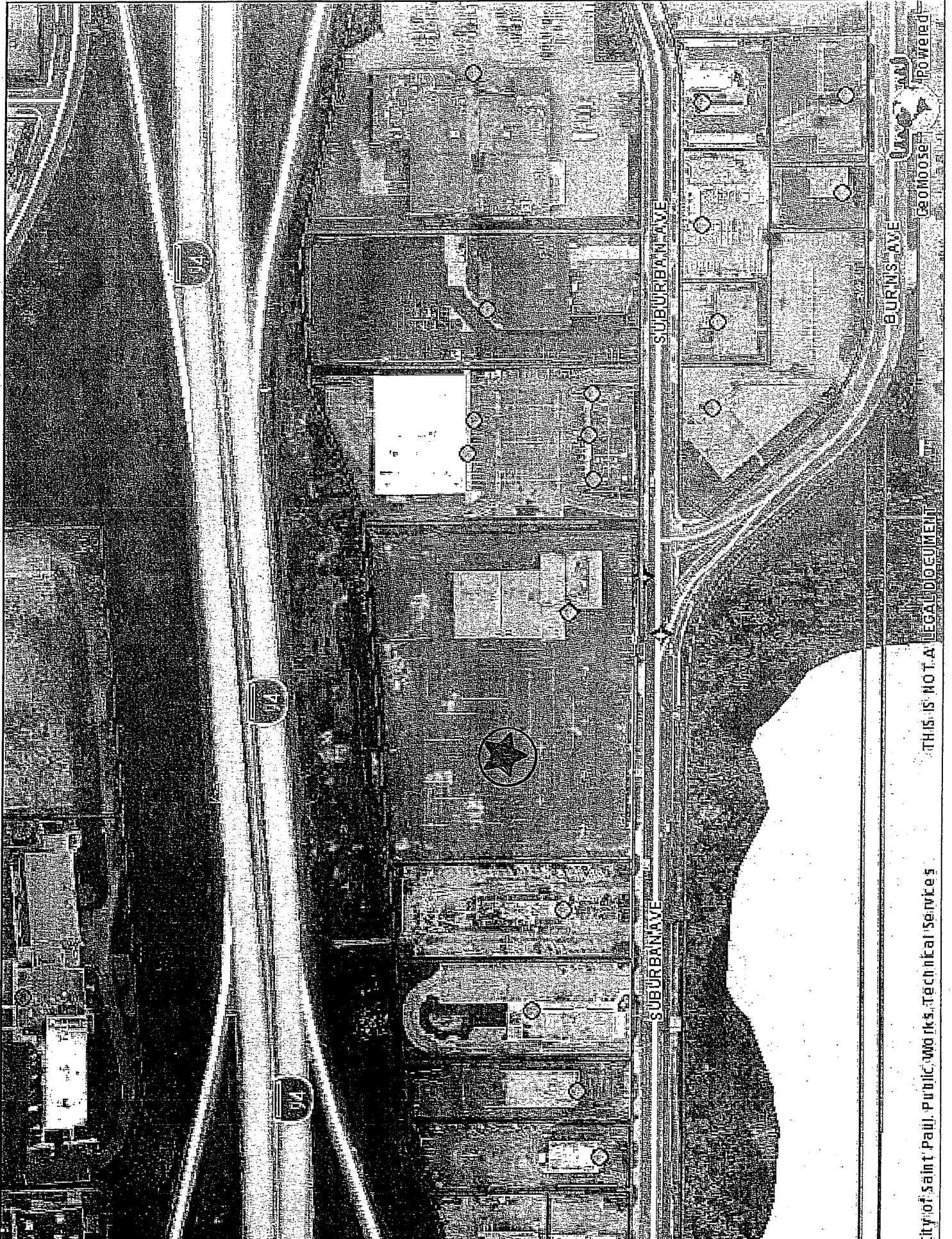
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

LIST OF SCHEDULES:

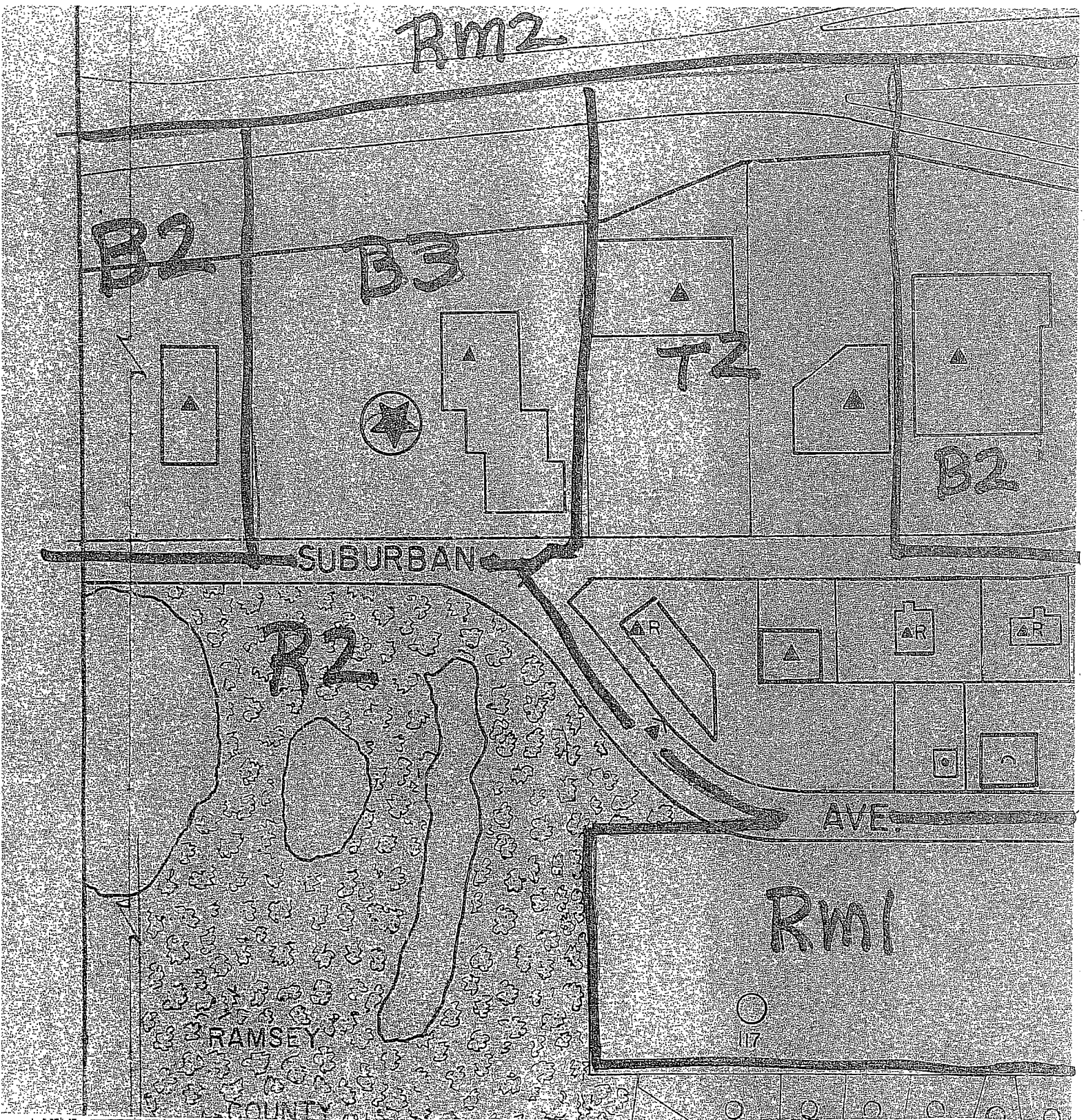
Schedule 1.1	Assets
Schedule 1.1(h)	Contracts
Schedule 1.2	Excluded Assets

LIST OF EXHIBITS:

<u>Exhibit A</u>	Bill of Sale
<u>Exhibit B</u>	Bring Down Certificate
<u>Exhibit B</u>	Assignment and Assumption Agreement
<u>Exhibit D</u>	Officer's Certificate







APPLICANT First + First LLC  
 PURPOSE Mod CUP  
 FILE # 12-064233 DATE 6-4-12  
 PLNG. DIST 1 Land Use Map # 24  
 SCALE 1"=400' Zoning Map # 18

LEGEND

zoning district boundary  
 subject property

one family  
 two family  
 multiple family

commercial  
 industrial  
 vacant







## ZONING COMMITTEE STAFF REPORT

1. **FILE NAME:** Providence Development LLC
  2. **APPLICANT:** Providence Development LLC
  3. **TYPE OF APPLICATION:** NUP - Enlargement
  4. **LOCATION:** 890 Goodrich Ave, between Victoria and Milton
  5. **PIN & LEGAL DESCRIPTION:** 022823340006; Haldemans Addition E 3o Ft Of Lot 9 And All Of Lot 8 Blk 1
  6. **PLANNING DISTRICT:** 16
  7. **ZONING CODE REFERENCE:** Sec. 62.109(d)
  8. **STAFF REPORT DATE:** June 13, 2012
  9. **DATE RECEIVED:** May 31, 2012
- FILE # 12-065-215**  
**HEARING DATE:** June 21, 2012  
**PRESENT ZONING:** RT1  
**BY:** Mary Matze  
**60-DAY DEADLINE FOR ACTION:** July 30, 2012
- 

- A. **PURPOSE:** Enlargement of the upper two units of a nonconforming 4-plex into unfinished attic space
- B. **PARCEL SIZE:** 70 ft. (Goodrich) x 150 ft. = 10,500 sq. ft.
- C. **EXISTING LAND USE:** R-Three/Four Family
- D. **SURROUNDING LAND USE:**
  - North: Mixed Density Residential (RT1)
  - East: Single Family Residential (RT1)
  - South: Single Family Residential (R4)
  - West: Single and multi family Residential (RT1)
- E. **ZONING CODE CITATION:** Sec. 62.109(d) lists the conditions under which the Planning Commission may grant a permit to enlarge a legal nonconforming use.
- F. **HISTORY/DISCUSSION:** On April 17, 2012, the applicant requested a determination of legal nonconforming status from the Zoning Administrator for living space in the attic. The application was denied because there was insufficient proof of continuous occupancy of this space. On May 31, 2012, this application for Enlargement of a Nonconforming Use was submitted by the applicant. There are no other zoning-related actions on record for this property.
- G. **DISTRICT COUNCIL RECOMMENDATION:** The District 16 Council had not commented at the time this staff report was prepared.
- H. **FINDINGS:**
  1. This property is currently being used as a four-plex with two one-bedroom units on the lower level and two one-bedroom units on the second floor. The applicant wishes to add living space to the second floor apartments by remodeling unfinished attic space to create two additional bedrooms for each unit. There will not be any changes to the exterior of the building, and the owner will not be adding any additional units. The applicant is required to get a Nonconforming Use Permit for the increased living space.
  2. Section 62.109(d) Enlargement of nonconforming use states that *[t]he planning commission may permit the enlargement of a nonconforming use if the commission makes the following findings:*
    1. *The enlargement will not result in an increase in the number of dwelling units.* This finding is met. The structure is currently a legal nonconforming four-plex. The owner would like to increase the size of the second floor apartments. But the proposed enlargement will not increase the number of units.
    2. *For enlargements of a structure, the enlargement will meet the yard, height and percentage of lot coverage requirements of the district.* This finding does not apply. The structure will

not be enlarged, so no change to the height, setback, or coverage is proposed.

3. *The appearance of the enlargement will be compatible with the adjacent property and neighborhood.* This finding is met. No change to the exterior of the building is proposed.
4. *Off-street parking is provided for the enlargement that meets the requirements of section 63.200 for new structures.* This finding is met. The owner will convert an existing four car garage into four individual spaces and provide a surface parking spot off the alley next to the garage. Section 63.207 requires a total of five (5) parking spaces 1 each for the one bedroom units and 1.5 each for the three bedroom units.
5. *Rezoning the property would result in a "spot" zoning or a zoning inappropriate to surrounding land use.* This finding is met. Rezoning this lot is inconsistent with the established zone boundary.
6. *After the enlargement, the use will not result in an increase in noise, vibration, glare, dust, or smoke; be detrimental to the existing character of development in the immediate neighborhood; or endanger the public health, safety, or general welfare.* This finding is met. Enlargement of the second floor units will not result in increased noise, vibration, glare, dust, or smoke. The continued use as a four-plex is consistent with the way the neighborhood has developed and will not alter the character of the surrounding neighborhood.
7. *The use is consistent with the comprehensive plan.* This finding is met. The Comprehensive Plan supports including a mix of rental and ownership units and a range of housing types (Strategy 1.1, p.7). The District 16 plan supports the maintenance of rental housing units within the neighborhood to continue some measure of affordability (Strategy H12, p. 4.).
8. *A notarized petition of two-thirds of the property owners within one hundred (100) feet of the property has been submitted stating their support for the enlargement.* This finding is met. The petition was found sufficient on May 31, 2012: 18 parcels eligible; 12 parcels required; 12 parcels signed.

- I. **STAFF RECOMMENDATION:** Based on the findings above, staff recommends approval of the enlargement of living space in existing unfinished attic in a nonconforming 4 plex with the condition that the applicant adhere to all applicable code requirements and provides a surface parking spot off the alley next to the garage.



Department of Planning and Economic Development  
Zoning Section  
1400 City Hall Annex  
25 West Fourth Street  
St. Paul, MN 55102


May 31<sup>st</sup>, 2012

Re: 892 Goodrich Ave. Expansion of Non-Conforming Use

I am proposing to add living space to the existing un-finished attic space above the upper two units. I am providing evidence that all of the conditions listed in the code (1-8) are met.

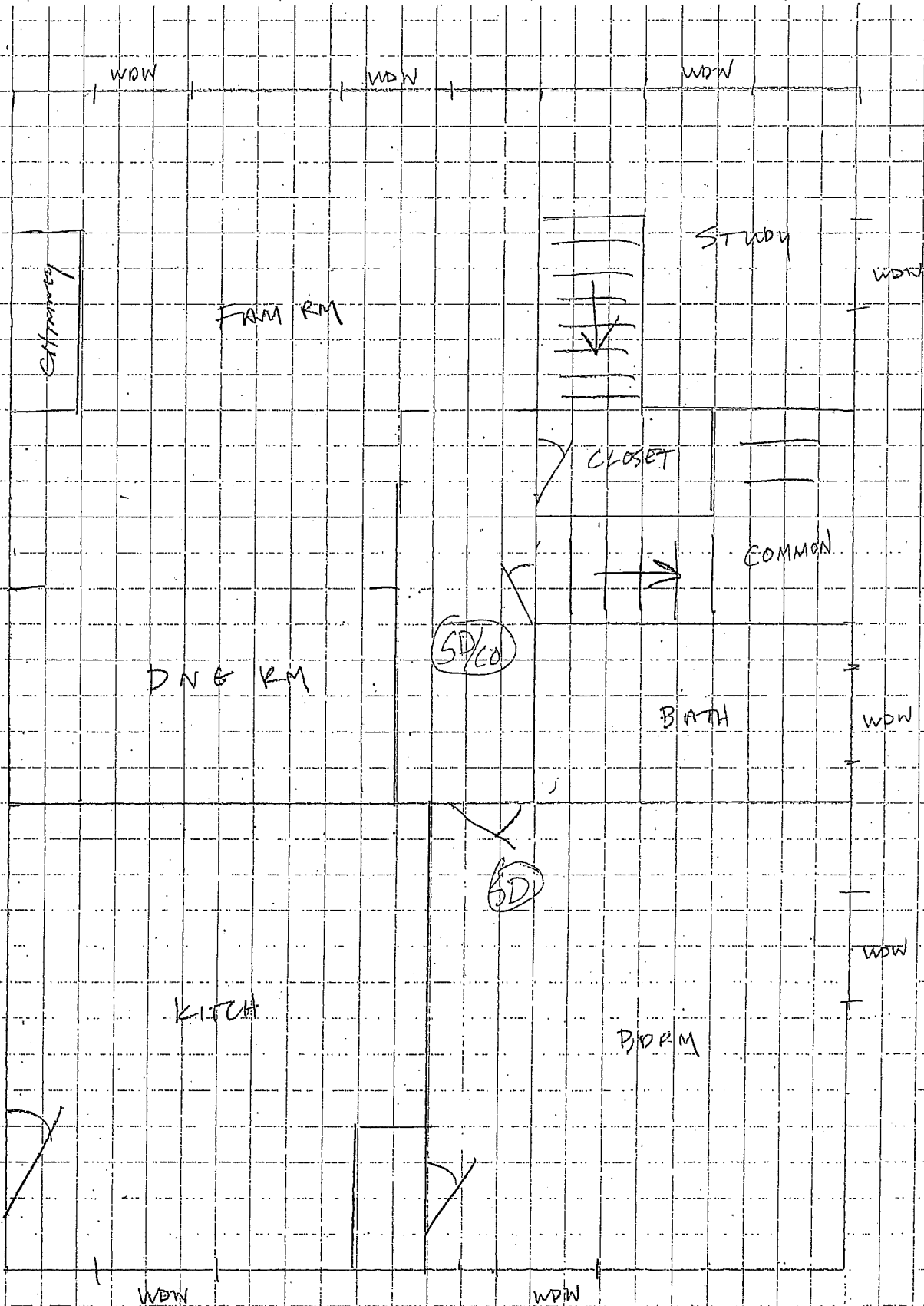
- We will not be increasing the number of dwelling units; there are currently 4 units and I will not be adding any additional units.
- There will be no enlargements of the structure, we will use the existing structure without any structural changes; the enlargement will meet the yard, height, and percentage of lot coverage requirements of the district.
- The appearance of the enlargement will be compatible with the adjacent property and neighborhood because there will be no change in the appearance of the enlargement; we will be using existing attic space.
- Off-street parking will be provided for this building. There is a 4-car garage in the rear which I will convert to four individual spaces; this is not a new structure.
- Rezoning the property would result in a spot zoning inappropriate to the surrounding land uses.
- After the enlargement into the attic space there will be no increase in noise, vibration, glare, dust or smoke. The proposed use will not be detrimental to the existing character of development in the immediate neighborhood; or endanger the public health, safety, or general welfare.
- The use is consistent with the comprehensive plan
- I have included a notarized petition of two-thirds of the property owners within 100 feet of the property stating support for the proposed use.

Sincerely,

  
Greg Hjelle

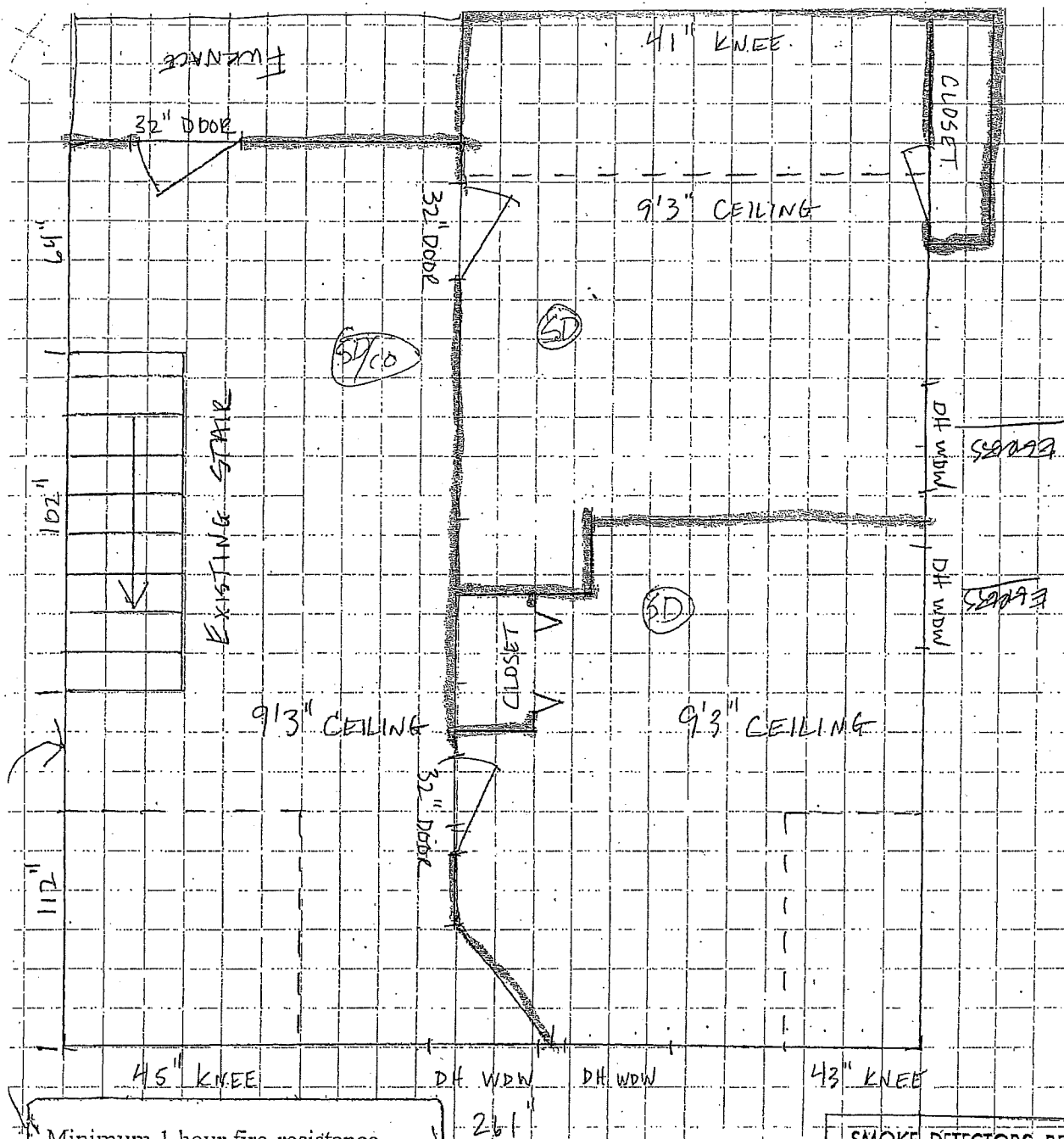
Providence Development LLC  
612.209.2698  
greg@provdev.com





UPPER EAST UNIT - 9' CEILING!





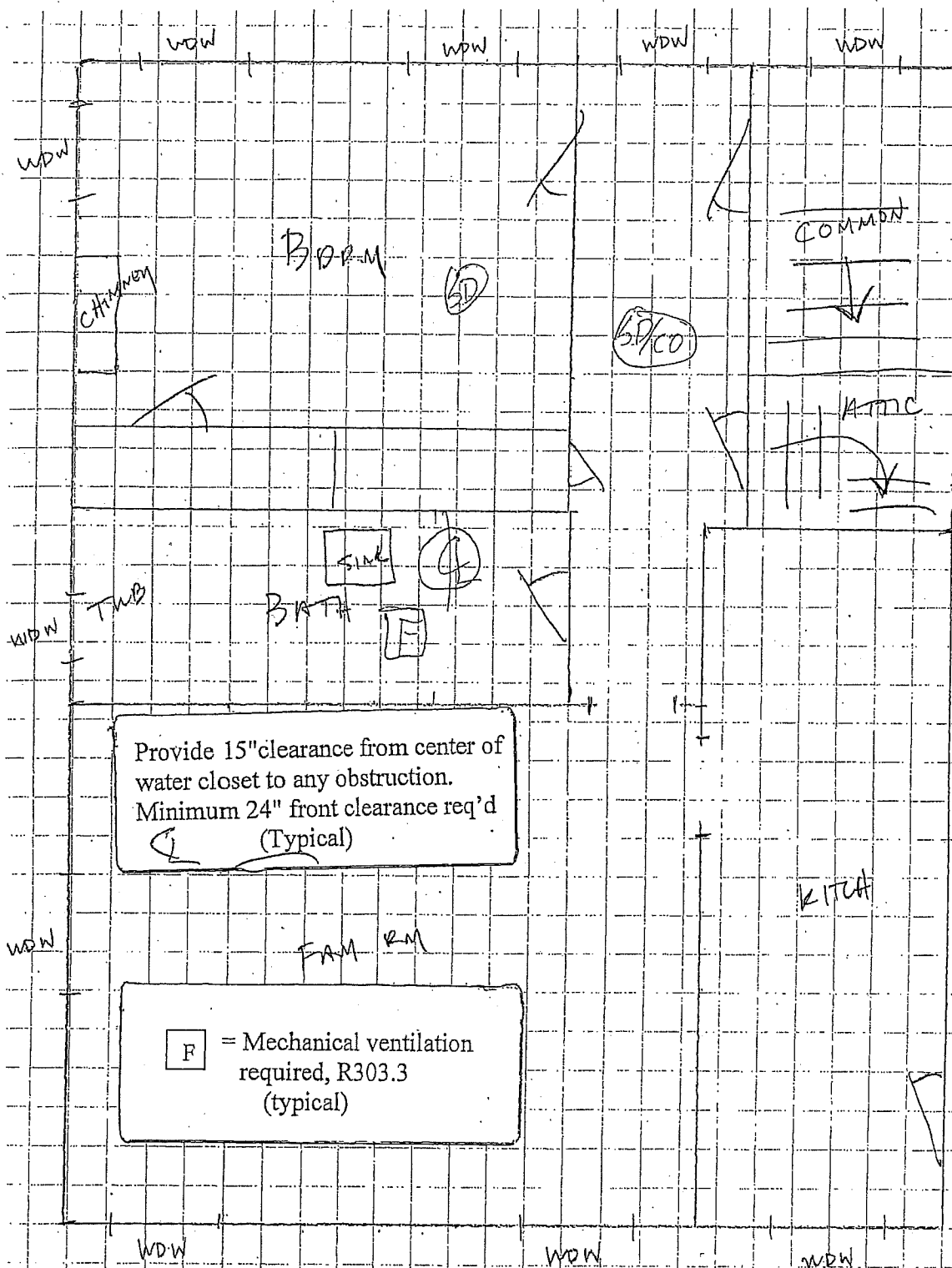
Minimum 1 hour fire-resistance rating with exposure from both sides required. (TYP.)  
(See attached handout)

## ATTIC WEST

ESCAPE RESCUE WINDOW REQUIRED - MINIMUM  
5.7 SQUARE FEET OF NET CLEAR OPENING  
VERIFY SIZE WITH INSPECTOR BEFORE  
INSTALLATION

SMOKE DETECTORS REQUIRED ON  
ALL LEVELS, ADJACENT TO AND  
IN ALL SLEEPING ROOMS  
(NEW CONSTRUCTION REQUIRES  
HARDWIRED & INTERCONNECTED  
DETECTORS)

Carbon Monoxide Alarm required  
per MN Statute 299F.50 & 299F.51.  
See Handout for required locations.  
(Typical)



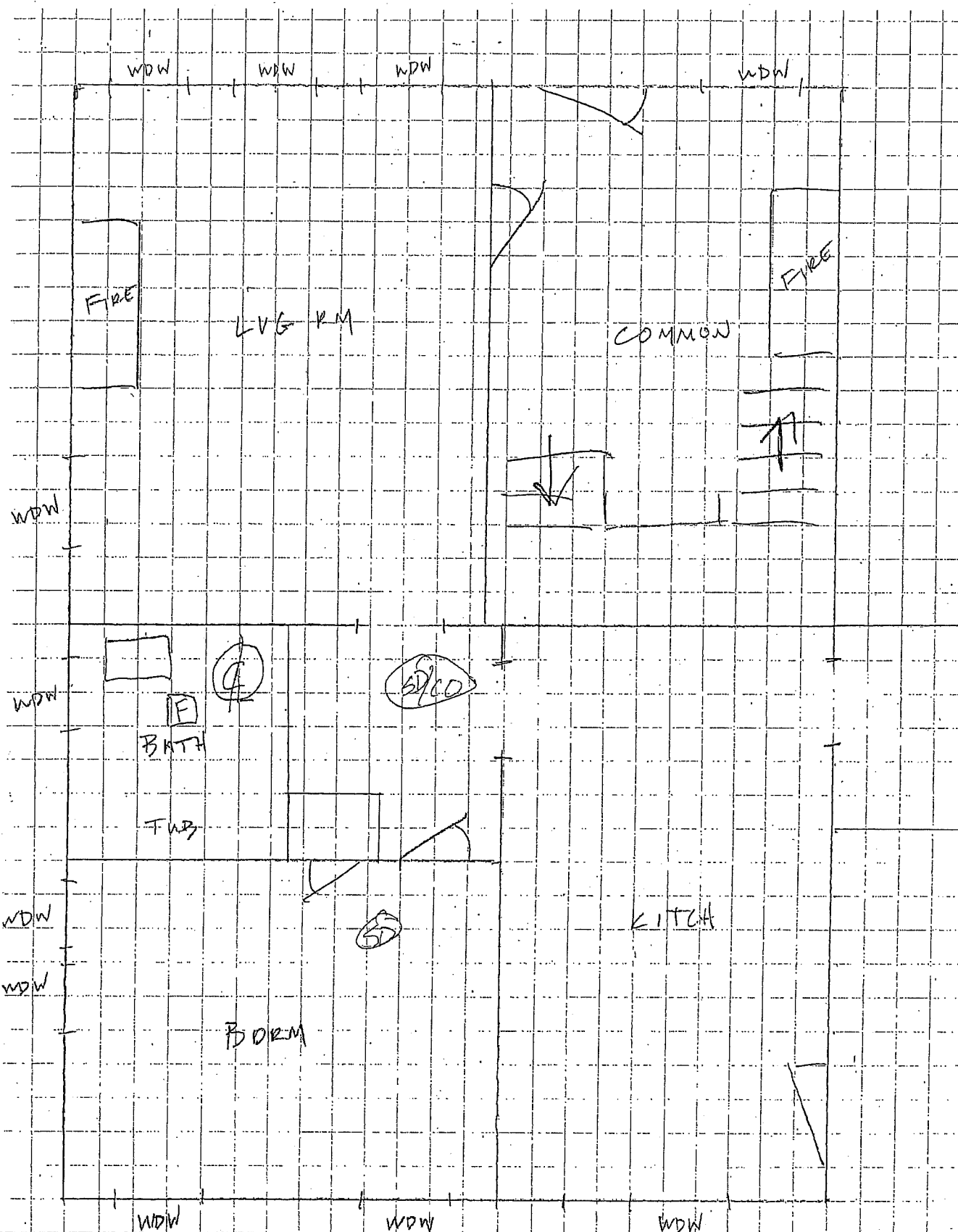
Provide 15" clearance from center of  
water closet to any obstruction.  
Minimum 24" front clearance req'd  
(Typical)

**F** = Mechanical ventilation  
required, R303.3  
(typical)

UPPER WEST UNIT - 9' CEILING

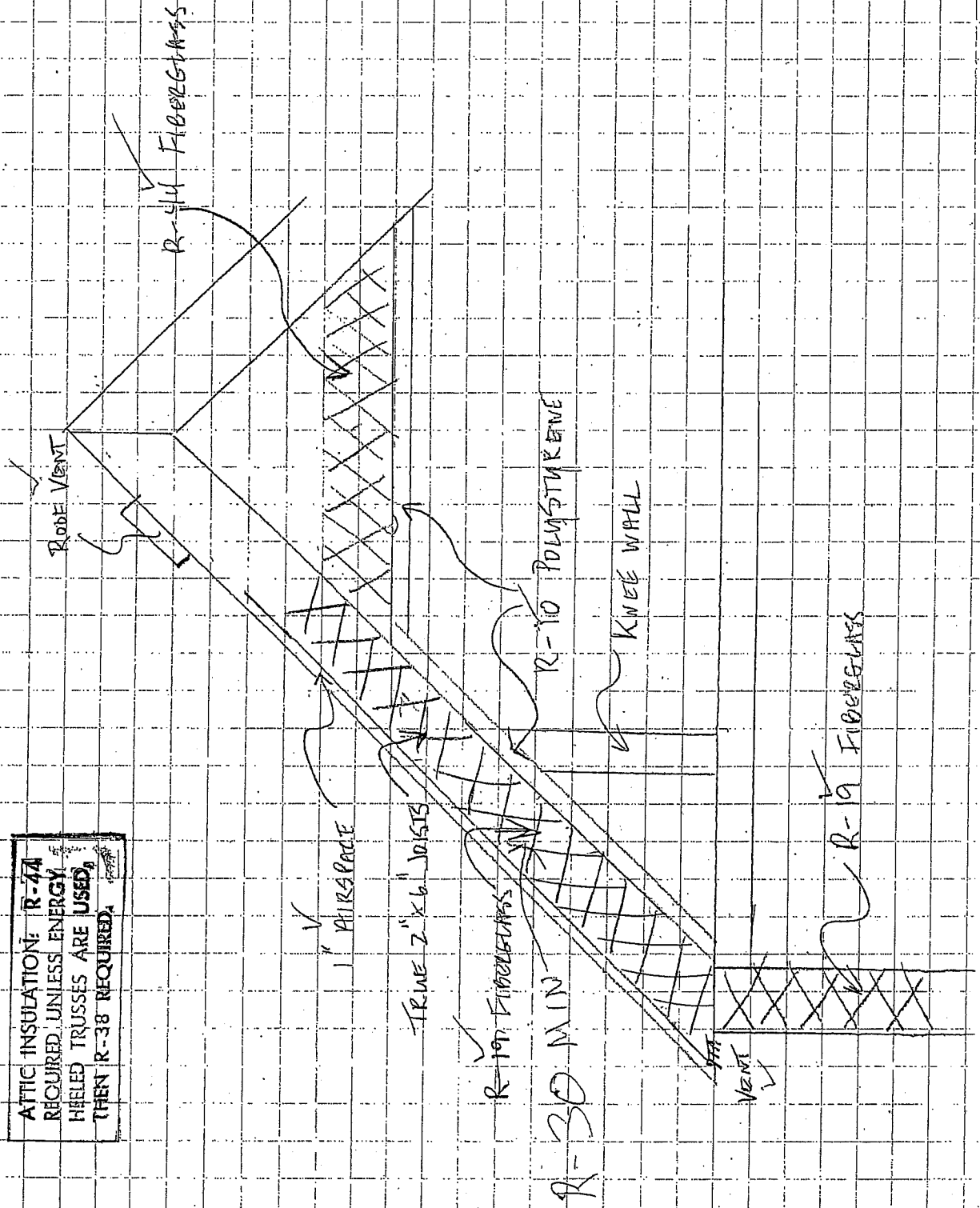
NOTE: MOISTURE-RESISTANT SHEETROCK  
CAN NOT BE USED ON EXTERIOR WALLS OF  
BATHROOMS & KITCHENS. USE OF A  
CEMENTITIOUS-TYPE BOARD, WITH A  
VAPOR BARRIER BENEATH, IS REQUIRED

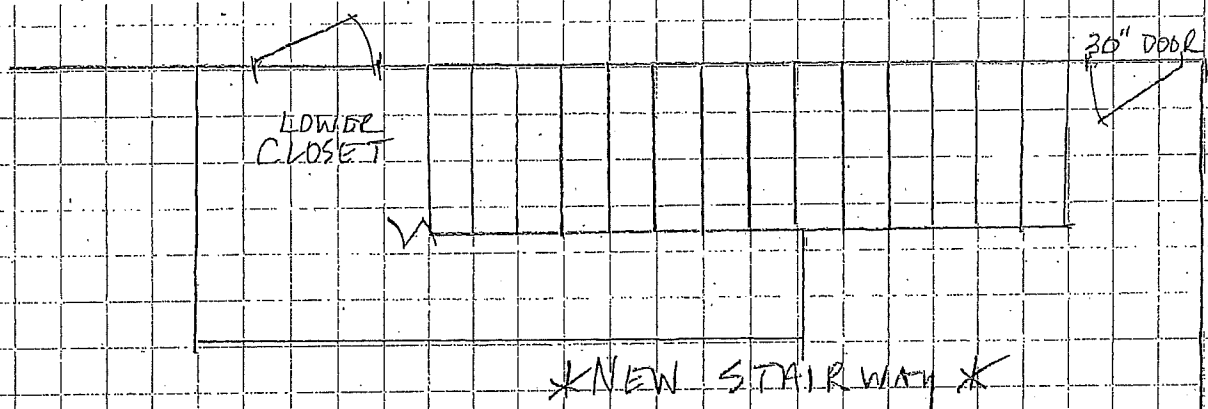




LOWER WEST UNIT - 9'6" CEILING

ATTIC INSULATION: R-44  
REQUIRED, UNLESS ENERGY  
CODE TRUSSES ARE USED,  
THEN R-38 REQUIRED.





RUN = 10"  
RISE = 7 3/4"  
STAIR WIDTH = 42"  
3 - 2" x 12" STRINGERS  
LOWER LANDING - 36" x 42"

Provide all floor, header, & roof truss specifications on site for building inspectors reference.

2ND LEVEL

OUTSIDE EDGE SUPPORTED BY WALL FRAMING

10" RUN 7 1/4" RISE

METAL JOIST HANGER

LANDING FRAMING

LEDGER

3-2x12

STRINGER

NEAR SIDE ATTACHED TO WALL FRAMING

Hardwood Flooring

STAIRS

7 3/4" MAXIMUM RISE

10" MINIMUM RUN

4 OR MORE RISERS REQUIRE

A GRIPPABLE HANDRAIL 1/4" TO 2" DIA.

EXISTING CANTILEVER

1ST LEVEL

2x8

RIM JOIST

FOUNDATION

Basement

GUARDRAIL REQUIRED - MINIMUM 36" HIGH WITH MAXIMUM 4" BETWEEN INTERMEDIATE RAILS (INDIVIDUAL DWELLING UNITS OR WITHIN APARTMENTS UNITS)

Provide interior and exterior stairway illumination including the landing and treads. R303.6

# ZONING WORKSHEET

ADDRESS: 890-892 Goodrich

PIN: 02-28-2334-0006 dist 7

## BUILDING CARD INFORMATION:

CONSTRUCTION DATE: 3-3-1890 PERMIT: 5-29-90 TYPE OF STRUCTURE: dw

### PERMITS

### COUNTY ASSESSOR'S RECORDS

### LICENSE RECORDS

### CITY DIRECTORY

1922 double  
1933 3 units  
1936 4 units (one occupied by owner)  
1951  
1970 4 units  
1986 "  
1991 "

1987-2 names each address

LEGAL DESCRIPTION: E 30 ft. of lot 9 + all of lot 8, Blk 1 Holdenman's Add

LOT SIZE: 10,500

CROSS STREETS: Victoria-Milton

ZONE	USE (C/NC)	UNITS PERMITTED	REQUIRED LOT SIZE	LOT SIZE (C/NC)
X	C			C
1922				
1960				
1964 B Res	nc			
1975				
R-4	NC	ROOMS: UNITS:		

ZONING STATUS FOR 4 units COMMERCIAL USE:

PLANNING:

RESIDENTIAL USE:

ZONING FILE

LEGAL - CONFORMING

NO RECORD

LEGAL - CONFORMING USE WITH NON-CONFORMING LOT SIZE  
(for residential)

LEGAL - NON-CONFORMING USE

ILLEGAL

3-26-96  
KRE

**Matze, Mary (CI-StPaul)**

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**From:** Mary Alton <alton003@umn.edu>  
**Sent:** Tuesday, June 12, 2012 9:50 PM  
**To:** Matze, Mary (CI-StPaul)  
**Subject:** File #12-065-215 - Providence Development

Ms. Matze -- Please forward my comments below to the Zoning Committee.

I have lived on the Goodrich block between Milton and Victoria for 34 years. I was delighted to learn several months ago that someone had purchased the property at 890-892. The property, as is, with its solo occupant, was fast becoming the only deteriorating eyesore on the block.

Having spoken to the developer, Greg Hjelle, and having received the public hearing notice, I am at a loss to understand why there is any objection at all to Mr. Hjelle's plans with this building. He is not creating, as I understand, two new apartments. He is enhancing two of the four apartments he will be offering for rent with existing space within the structure.

If what is holding this up is some draconian ordinance that purports to fit this situation, I would propose that someone figure out what the mischief the ordinance was designed to prevent and whether that mischief really exists under these circumstances. I, for one, am not persuaded that any substantive objections to Mr. Hjelle's actions are grounded in reality or common sense.

If, Ms. Matze, you are not the person who can get these comments to the Zoning Committee, please let me know who is. The postcard with the notice was not clear as to whether you could take questions or both comments and questions.

Thanks.

Mary Alton  
908 Goodrich  
St. Paul, MN 55105  
651-324-7664

**Matze, Mary (CI-StPaul)**

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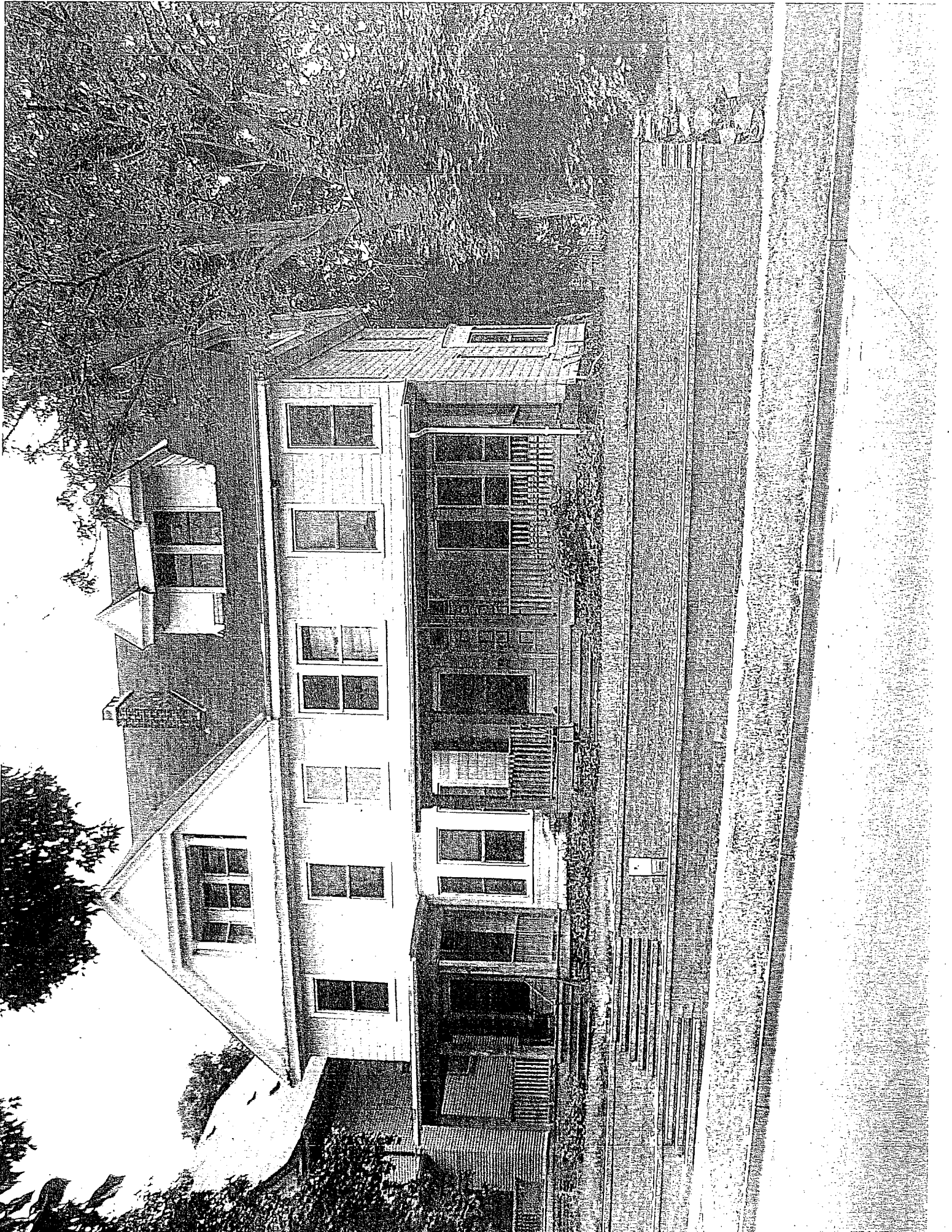
**From:** conniemiles@comcast.net  
**Sent:** Wednesday, June 13, 2012 8:39 AM  
**To:** Matze, Mary (CI-StPaul)  
**Subject:** 4-plex

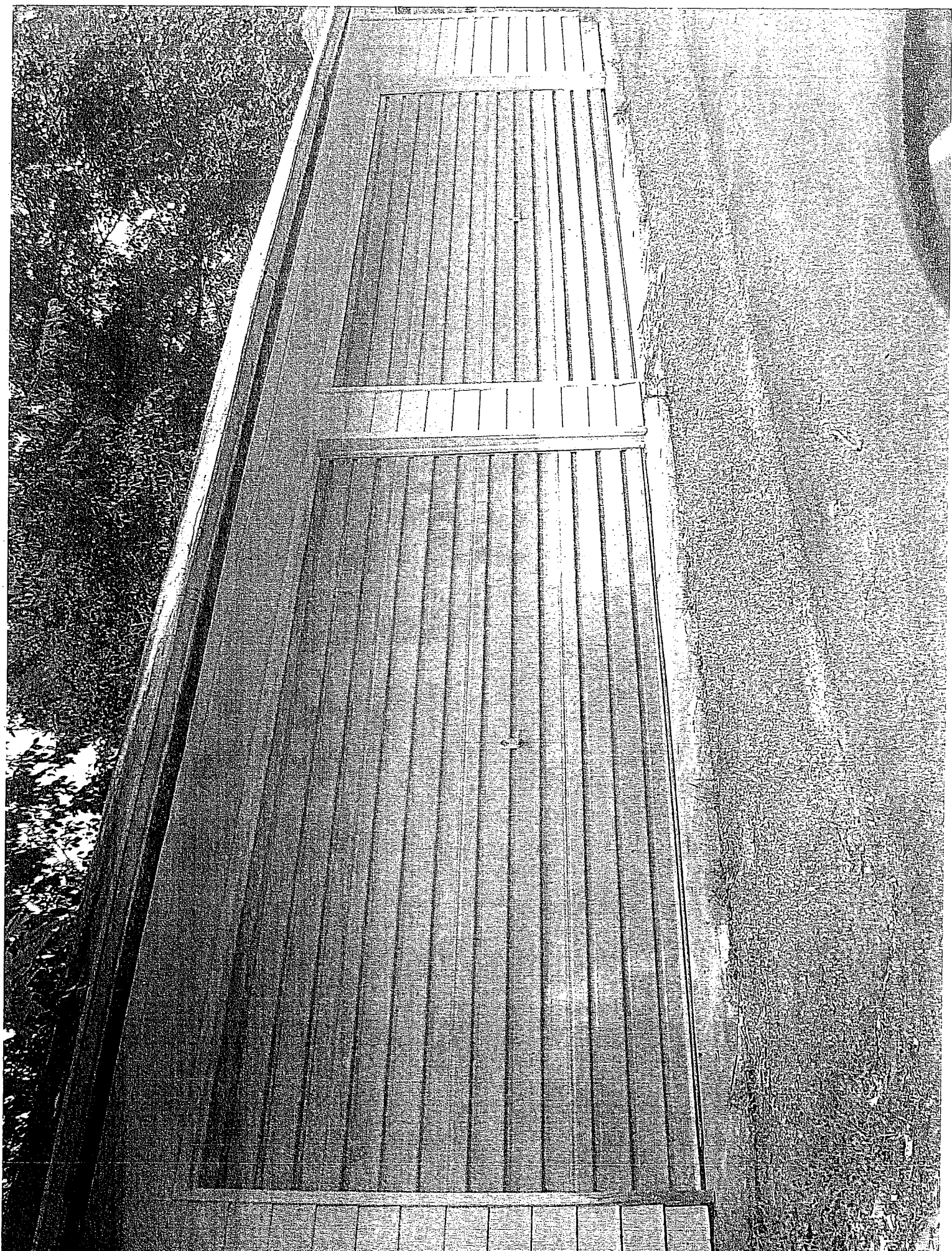
I would like to voice my concern about the enlargement of rental property 890-892 Goodrich. I have lived here since 1967 and my block has become more rental adding more to this already crowded block is not something I support. We have to pay to park and can't sometimes anyway. Some rental properties have been mismanaged. The group facility has a revolving door of employees that park and smoke where ever they feel like and the property itself has wires hanging all over and a bathroom that has no curtains. We who live on this block are at the mercy of people who are making money from these units and I would like to see no more problems added to the block.

Constance Miles  
911 Goodrich

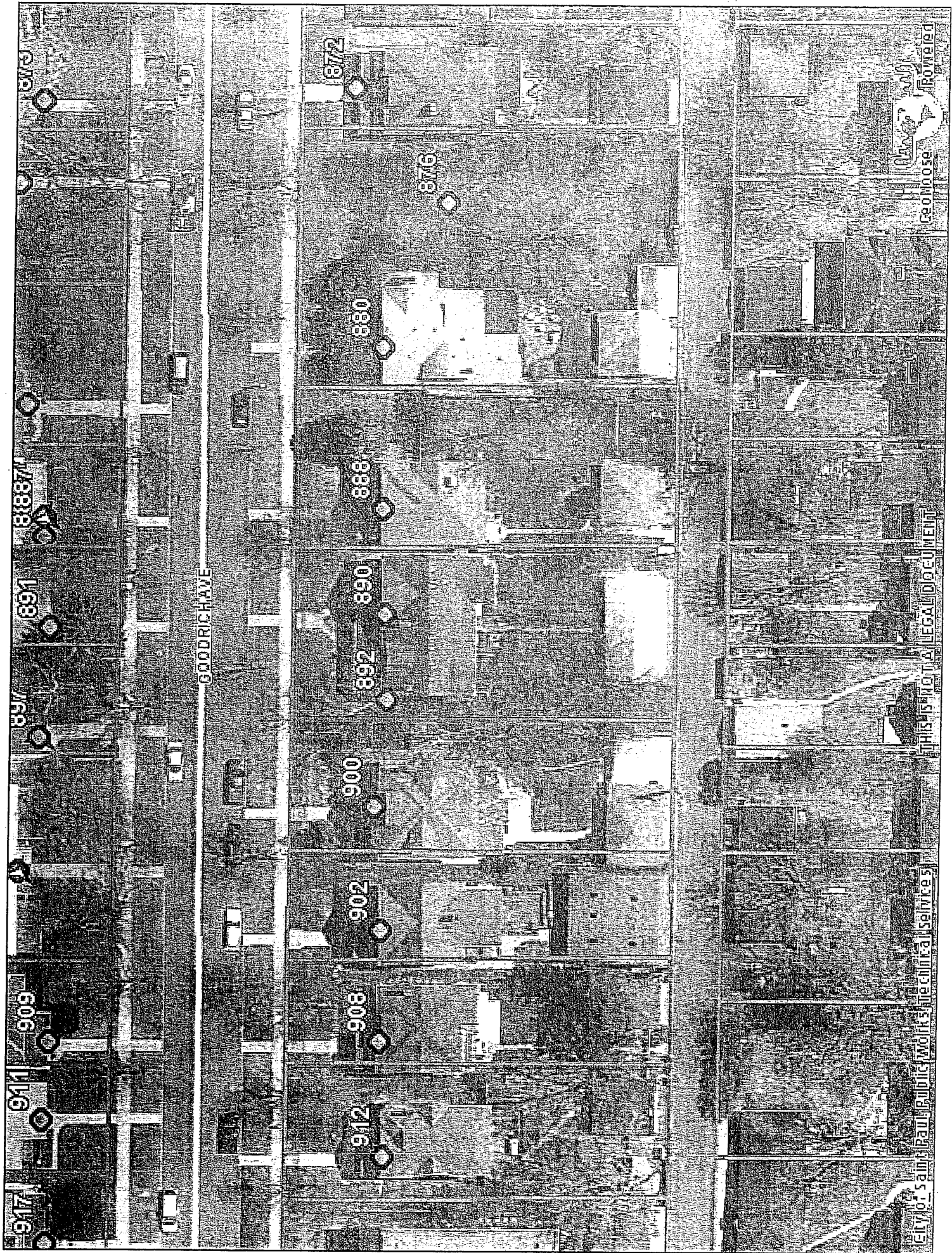








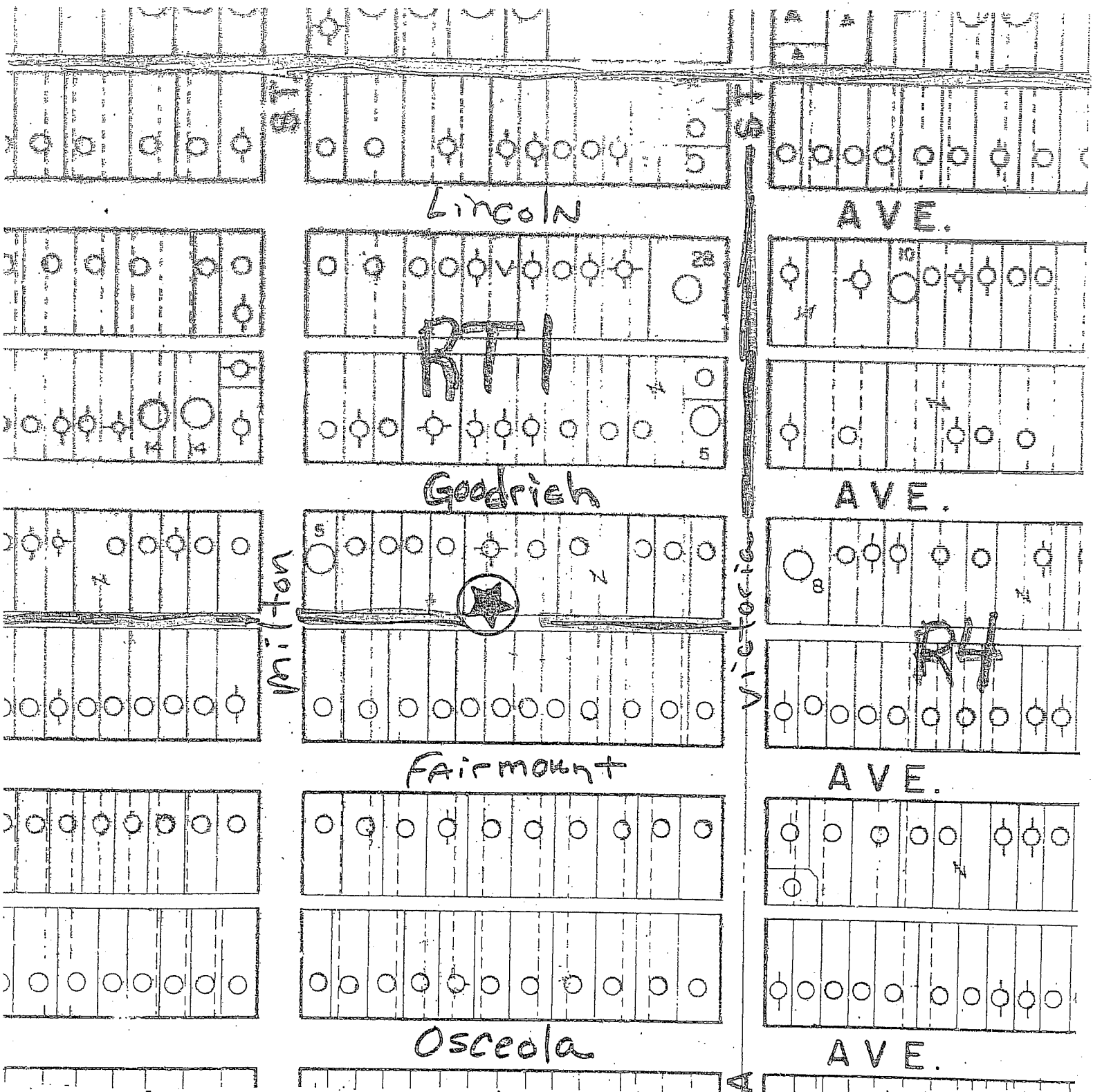




City of Saint Paul Public Works Technical Services

THIS IS NOT A LEGAL DOCUMENT

CE000050  
11/20/2011  
POWERED



APPLICANT Providence Development  
 PURPOSE Enlargement NCUF  
 FILE # 12-065215 DATE 6-6-12  
 PLNG. DIST. 16 Land Use Map # 27  
 Zoning Map # 21

LEGEND

zoning district boundary

subject property

one family  
 two family  
 multiple family

north  
 commercial  
 industrial  
 vacant